

INSIDE: How Ontario Conservatives chose a new premier

Maclean's

FEBRUARY 4, 1985

CANADA'S WEEKLY NEWSMAGAZINE

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The Secret World of Howard Hughes

Excerpts from
an explosive new
book on the
life and times
of the reclusive
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COVER

Howard Hughes's secret world

The flamboyant Texas billionaire counted among his entourage a pastiche of Hollywood screen goldenboys. And as he delved into exclusive territories, he tried to buy the services of two U.S. presidents. A new book, *Catman Hughes*, credits him with Watergate and Richard Nixon's resignation. *Maclean's* presents an exclusive example. —Page 26

COVER BY TIM ARNDT



India's web of espionage

Prime Minister Rajiv Gandhi last week ordered a probe into a mysterious spy ring that has compromised virtually every Indian state secret. —Page 24



A new face in Ottawa

For Pamela Waldo, the best thing about leaving CTV's *Canada AM* to be the network's Ottawa bureau chief is not having to get up any more at 5 a.m. —Page 49



Ontario ready on the right

After three days of convention extravaganzas, Frank Miller was chosen to succeed William Davis as party leader and premier-designate of Ontario. —Page 38



Winning the war on AIDS

Two announcements last week marked an important advance in the war against AIDS. Now, for the first time, researchers say treatment may be possible. —Page 47

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Peter Treu's long wait

Peter Treu was a bitter and disillusioned man when he left Canada for Costa Rica in 1980 after a controversial courtroom ordeal in which the military engineer was convicted and then acquitted of embarrassing classified NATO documents. The trials, held in camera under the Official

Secrets Act, destroyed his marriage, his engineering firm, Canadian Consultants Ltd., and his reputation when a government commission finally accused him of espionage. Then Treu went into self-imposed exile. One year ago this week, after an absence of three years, he returned to Canada, still bitter, still

deflationist but also less tense. "The world is as a mess, you know," he said. "I feel a lot more comfortable here and I want to be with my kids."

Now living in Toronto, Treu is the manager of the engineering department of Tetrat, Inc., a company that produces data processing, television surveillance systems and electromechanical parts. Writing a book about his experience, the 60-year-old father of four is still awaiting confirmation of error from the government for what many court observers have characterized as an unprovoked prosecution.

After Treu's acquittal the federal Tories, then in opposition, demanded both an overhaul of the Official Secrets Act and compensation for Treu—who now asks, "Were they sincere or was my case just used as a political football? I was accused many times that as soon as the PCs would be in power I would receive an official apology. I'm still waiting."

Peter Treu's ordeal began in 1974 when four RCMP security agents raided Canadian's office in the basement of his Brampton, Ont., home and confiscated 300 of classified NATO-related documents. Working with NATO on a complex communications system, Treu had received the standard security clearance from Ottawa. However, three months before the raid, that clearance had been independently revoked by a civil servant who assumed it was no longer needed. Two years later he was charged with illegally possessing classified documents and with not taking proper security precautions.

Treu, in secret, he was found guilty in 1979 and sentenced to two years in prison. In 1979 the conviction was overturned, but early in 1980 the McDonald commission, which the federal government had established to investigate RCMP wrongdoing, unanimously concluded that Treu allegedly passed secret information to the Chinese. Treu maintained that he gave China exactly what he gave India and Pakistan—a broad technical prospectus for an electronic air space surveillance system—with the full approval of the Canadian government. Two months later a federal arbitrator decided that he was not entitled to the \$150,000 compensation he was seeking. Shortly after, he left Canada.

Because his employer, Tetrat, might in future handle official military supply contracts, the government may eventually be asked to re-evaluate security clearance to Treu. Observed former Tory Gerald Baldwin, one of Treu's closest supporters, now retired: "If they give him security clearance again, that would be tacit recognition of the fact that what they did to him several years ago was wrong."

—BILL GLADSTONE, with Marguerite Severe in Toronto

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DATELINE: FLORIDA

Return of the alligator

Eleven-year-old Robert Crego was swimming in the northern branch of the St. Louis River in the residential community of Port St. Lucie, Fla., when a fisherman in a boat and a friend noticed him an alligator dining on him. They heard a warning bell within minutes Crego was dead. He was at least the sixth person killed by an alligator in Florida since 1968 and his death refocused attention on the problems caused by the dramatic 1,000-per-cent increase in the number of alligators since 1960, when the reptiles were declared an endangered species. Declared Maj. Gwynn Kelley, Everglades region manager of the Florida Game and Fresh Water Fish Commission. "Man and alligator once again are competing for space in Florida."

Largely as a result of protection laws, which banned the hunting of alligators and the intensive sale of their hides, their number has risen to more than a million from about 180,000 in 1960. Currently, alligators exist in nearly every lake, river, canal and marsh in Florida—and they appear on farms, highways, golf courses and airport runways to warn that they constitute a major public nuisance. At least one incident is reported annually in which someone loses a limb to an alligator. As well, alligators kill untold thousands of house pets. Since 1977 administrators of the Florida's National Alligator Program have responded to about 5,000 complaints annually. Declared Columbus White of Lakeland, 130 km south of Jacksonville, an alligator control agent who destroyed about 95 last year. "The alligators seem to have lost their fear of humans. The more they are around people the bolder they get."

The U.S. government still lists the alligator as a threatened species, but since 1973 protectionist laws have been eased. Now, about 30,000 alligators are trapped or shot each year, and the trade in alligator products is growing. "Putting the alligator on the endangered species list was one of the best things we could have done," says Allan Woods, a research biologist for the Florida Game and Fresh Water Fish Commission. "Now the problem is getting them off the list. We've spent hundreds of thousands of dollars for research just to demonstrate that the alligator is no longer in danger."

—BILL GLADSTONE

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Q&A: PLACIDO DOMINGO

The high priest of tenors

Plácido Domingo, one of the great operatic tenors of the present day, first sang in his parents' traveling orchestra (Spanish speaking company) in Mexico, where he and his family lived after fleeing Spain. Since his debut in a leading role—as Alfredo in La Traviata—in 1961, he has appeared in performances from Milan's La Scala to the Paris Opéra to New York's Metropolitan Opera House, where the cultural performer and sometime conductor recently undertook the challenging title role in Richard Wagner's Lohengrin and conducted Puccini's La Bohème. At 51, with matured and good looks and a slightly stately bearing, Domingo has a huge repertoire—its roots, coupled to his legendary Carnegie 50—and he goes about 85 performances worldwide each season for fees that sometimes reach \$20,000. Maclean's correspondent Charles Groulx interviewed Domingo at the New York Met.

Maclean's: How do you keep a performance fresh night after night?

Domingo: I must feel that each performance, night after night, is new. The public comes with certain hopes, expectations and desires, and my singing must make them feel this freshness. Sometimes there are magical moments when you can forget about the rigorous technical requirements that go through your mind and the spontaneity comes out in full strength. When you are able to merge into your character and forget the vocal problems, it is like a flow of energy. I cannot say this happens all the time, but when it does it is simply fabulous.

Maclean's: What do you do when there's a memory loss or moment blocking on stage during a performance?

Domingo: Errors always happen. The important thing is not the mistake but how to get out of it. In my very first performance of *La Traviata* years ago I was supposed to receive news from Violetta from a messenger in the garden. So I said in Italian, "Someone is in the garden." But no one was there. So I improvised and said, "There is no one." Then I had to pretend that I had a message. So I looked at some papers on a desk and chose one and said, "Oh, it is from Violetta." The whole thing was a big improvisation.

Maclean's: And memory loss?

Domingo: Of course, you can forget the text. If you know the language well enough, you just make up another text that fits well and means the same. I am

good at that—in Italian and French, that is. In German it is another matter. What comes through to the trained ear may very well sound like gibberish.

Maclean's: Some critics chide you for a recent foray into pop music. How do you respond to the loudest argument of high versus low culture?

Domingo: That is simply a false problem. Both can be mixed. Absolutely. As long as I am at my best for the public in Orto or in Lohengrin I have no regrets singing Argentine tangos or duets with John Denver. But there is no doubt that I have a strategy doing pop: to pull a vast new audience into the world of opera. That is where my heart really lies.

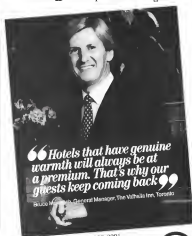
Maclean's: In North America opera is often perceived as synonymous with middle-class social climbing. How true is that?

Domingo: I don't think social climbing

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Figure 10. Drawdowns at 2 MPa (14.7 MPa) and 10 MPa (73.5 MPa).

Figure 6

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in the opera exists anymore. If people want to do that they can go and chat at cocktail parties at the Museum of Modern Art or the vernissage [art exhibition opening] of some painter. I really don't think people come to opera to be seen when they know they have to spend four hours sitting down.

Maclean's: What are the pressures of superstardom? How does one cope?

Demingo. The only thing I can say is that I try to lead my life in a natural way. I remember less busy times, believe me. I heard a phrase the other day. 'It is so lonely at the top.' I would rather say instead, 'It is very crowded down there.' That sticks in my mind more than that loneliness business.

Maclean's: Do you approve of artists or performers making political statements?

Domingo: The day I will be a politician will be the day I am just that. Never rule the top.

Median's. What are the dangers of having live stage performances of La Traviata or Carmen into *Abba's* fan? There necessarily a loss?

Domingo The danger with films is that they can cut your wings as an interpreter. I am very happy about Binet's Career, for example, but I have an entirely different interpretation of the Don José character. The director, Ruiz, loves the spectacle of bullfighting and the life of the gypsies. He has transformed Don José into a minor character in relation to the secondar, Escamillo. I told him that I felt the bullfighter had the more part and he replied, "Just so." So it goes. Ruiz made me work very hard on my part without, however, supporting my

whales, he ends in the crucial prologue or other key sections. To wit, Carmen is the story of Don José, a simple man, who falls in love with the young girl, half woman, half witch. Don José would love to have a family with six or eight kids and live out a comfortable bourgeois life. Instead, the film piles up the scenes of spectacle and to an extent diminishes the tragedy between Carmen and Don José. It opens. Heist would triumph with his music and the dreams of the protagonists.

Meatman's: Will you retire from singing any day?

Domingo The day I know there is nothing more, there is the day I stop—that is, if I have ambitions to be a conductor, maybe the director of a large theatre, and perhaps becoming the minister of culture for my country, Spain. I will sing as long as I sing well. The day I stop I will say 'Goodbye. And no regrets!'

Maclean's: How do you want to be remembered?

Dominique: As a man who tried to bring harmony, beauty and romanticism to a kind of life that most of the time is the opposite ☺

COLUMN

In search of a reason to celebrate

By Charles Gordon

A week ago millions of Canadians watched Americans celebrate two national days in one—the inauguration of the President and the Super Bowl. Two events, separated by thousands of kilometers, brought President-elect Reagan, wife, and 600,000 fans to the same place. The game began, and the game's halftime show included all the patriotic clichés that Ronald Reagan has brought to Washington. After the game the President called the winners' locker room and the coach passed along to him his congratulations and the prayers of his team. Canadians shrugged or smiled.

At the conclusion of Canada's version of the Super Bowl the Winnipeg Blue Bombers received a telephone call from the Prime Minister, but when it turned out to be a hoax, an one second to nine Canadians also remember Grey Cup halftime shows that consisted of young people in white tunics throwing torches into the air. And they remember the swearing-in of the new Turner government, an event that represented, for Canadians, a far greater change than Ronald Reagan's second swearing-in. It is for Americans Turner's swearing-in was accomplished without the presence of television cameras and reporters who were told to wait in the hall. Only the reporters complained.

As Canadians, our conservative position is that we are above the sort of thing Americans do. Yet it is possible that many Canadians feel a touch of envy at the readiness of Americans to celebrate themselves and at the ease and comfort with which they do so.

Americans have no hesitation in dressing themselves up as pilgrims and penitents, as Uncle Sam and Dory Crockett. Pick a day—July 4, Super Bowl Sunday, Thanksgiving, the birthdays of any number of presidents—and the Americans are ready to hang the flag from the front porch. Canadians don't do that. There is July 1, a Remembrance Day we share with our allies, an earlier Thanksgiving Day to which no pagantry is attached, and that's about it.

Americans have even been able, although a certain amount of fuss accompanied the effort, to create a new holiday, the birthday of Martin Luther King. So vague and undirected are our patriotic spirits that even when we decide that we need a national holiday, we can't decide what to call it, whom to name it after. The national holiday we

again won't celebrate this February is to honor Sir John A. Macdonald. At the moment the most popular name for the proposed holiday is Heritage Day.

"Herbie" is a nice word, like "Mutt" and "apple pie," but there is nothing Canadian about it, no celebration of any of the things that make us unique. To give butts is here and now. "I know why it's because there's nothing anyone about us. We're just Americans, only colder and with fewer guns."

It's true that many of us watched the Super Bowl. But anyone are not always right. Nor is it entirely correct to say that Canadians don't celebrate themselves because they are just not that sort of folks—that Canadians are reserved, modest, calm people, not given to making a fuss. Many of us are like that, but not all. In fact, the stereotype may apply only to the Ontario W&F.

While some make excuses for our inability to celebrate, others find in that

'In Canada there are still those who will not forgive Sir John A. for being a Tory or Laurier for being a Grit'

isn't really a reason to celebrate. They look at the American celebratory process, the carnival sentimentality, they observe the bad things—the wars, the witch hunts—that are carried out in the name of patriotism, and they are glad we don't seem to have a lot of it.

But assume, for the moment, that you can have patriotism without invasions, that you can have warm feelings about your country without singing the national anthem before every bingo game. Assume, also, that there are things to celebrate in Canada. How do we go about doing it?

An important way is to make history more accessible. For Americans, Washington is as culturally distanced as Rome

is by Congress. Yet Washington is also a shrine for Americans who want to learn about the nation's history. During the summer and at every school break, the parking lots of the American capitals are full of school buses. The tourist attractions are full of parents leading children through a nation's history. Most of the sights—the White House, the Capitol building, the Supreme Court, the monuments, the major mu-

seams—are within a brisk walk of one another. The museums are full of objects that bring history alive—Washington's teeth, Judy Garland's shoes, films of dead presidents, recordings of forgotten pop singers.

Canada has fine museums too, including several in Ottawa, but the capital city lacks the equivalent of Washington's Mile of History. The Canadian looking for his Mile of History is forced to take many kilometres' worth of trails. The landmarks—particularly the museums and galleries—are scattered all over the map. A new Museum of Man-

—which will not be called that out of deference to those to whom the present name is offensive—will be reconstructed in Hindi, across the river. A badly needed new National Gallery will be built, but it will move from its convenient current location to a new place a long bike ride

Parliament Hill, a taxi ride from the Supreme Court just close to the National

War Museum (the name of which no one is proposing to change)

Ontario: Ready on the right

By Mary Janigan

From the outset of the contest last October, the polls and the pundits had agreed on the outcome: As Ontario's autumn deepened into winter, the anticipated result in the four-way competition to run Canada's richest and most populous province remained as predictable as the rhythm of the four seasons. In the end, the Ontario Progressive Conservatives party could avoid last-minute doubts and nervously con-

feel the equity in this hall and the new life within the party. — As election is coming and we are going to win."

The convention showdown took place late Sunday night—after nearly ten dramatic hours, three rounds of balloting and one delaying request on the way. Then, Miller, 57, emerged as the successor to retiring Premier William Davis, 88, and as the narrowly chosen champion of Tory delegates who are determined to retain the party's 43-year monopoly of political power in Ontario.

What seemed to sway the majority of

the convention Councillors, a livestock pavilion on the grounds of the annual Caledonian International Exhibition, in Toronto. With strong backing from delegates representing rural, small-town and northern regions, Miller held off a final-ballot attempt by Grossman, 43, to become Ontario's first Jewish premier and a leader who claimed to represent the province's cosmopolitan character of urban ethnic diversity.

Timbrell, edged out of the contest by Grossman in the second ballot by just six votes, demanded a recount. Ray



Miller with wife, Alex, before bargaining in a contest between two longtime rivals with different political visions.

firmed the all-but-preordained coronation of Frank Stewart Miller as the next premier of the province.

The 1,711 delegates were torn between two longtime rivals with different political visions. Miller, who appealed to the right wing of the party, and left-leaning Treasurer Larry Grossman. Grossman had the support of the two other contenders in the race, Agriculture Minister Dennis Timbrell and Attorney General Ray McMurtry, and the backing of most of the party's elite. As a result, when by 809 votes to 766, the Tories faced not only the challenge of going into an expected spring election with a new leader but of repurposing their own deep divisions. But, declared Miller, "I can

1983 voting delegates was that they felt most comfortable on the final ballot with Miller as they face an election challenge from the official opposition Liberals under David Peterson, 61, and the provincial New Democratic Party led by Robert Rae, 36. Party numbers also apparently rated him as the leader most likely to keep the province in step with a national mood of conservatism—namely, with Prime Minister Brian Mulroney's Conservative federal administration.

Miller demonstrated his combative political capacities in overcoming what developed as the combined opposition of his three rivals. During the protracted balloting, his campaign managers harangued quietly but furiously for votes in

McMurtry supporters pleaded with Timbrell not to press for the recount or, at least, to try to keep his supporters together as a bloc so that their support could be thrown in the attorney general's friend Grossman. But the recount went ahead, and produced the same tally—609 votes for Miller, 524 for Grossman and 508 for Timbrell. Timbrell, who had been ruled by polls before the convention as the man most likely to oust Miller, declared his personal support for Grossman but freed delegates to vote as they wished.

The election of the new Tory leader followed a lullish three-month campaign that began with the four candidates agreeing not to discuss any sensitive areas of government policy. The inter-

nal peace accord began to break down as the campaign heated the hatch line. Both Grossman and McMurtry claimed—without putting forward any proof—that opponents in rival camps were buying votes by offering to pay delegates' expenses to return for their support. Then McMurtry broke ranks by charging that traditional Tory custom meant that government policy for distribution of money appeared to move forward without "restraining the deck chairs on the Titanic."

As delegates gathered for last week's convention, Grossman's contention appeared to gain support from a discontented bloc from the Miller camp who thought that the convention delegates were unrepresentative of the province's population. They were older (54 per cent were over 40) and richer (68 per cent earned more than \$40,000 a year) than the average Ontarian, and 63 per cent of the group had at least one university degree—something that fewer than 10 per cent of Ontarians possess have.

In the face of rapid social change, the new Ontario leader may have difficulty ensuring the continuation of a dynasty that was born when George Drew took office as premier in 1943. In the subsequent 42 years of an interrupted Conservative government, the party has maintained its hold on Canada's richest province by governing with a judicious blend of conservatism and moderately progressive policies. In the postwar era, the Tories stepped eagerly under the conservative premiership of Leslie Frost (1949-1961), John Robarts (1961-1972) and Davis. Elected leader by a slippy 44-vote margin, Davis as premier easily won the provincial election in 1971. But in 1975, as widespread disillusion by economic ills and persistent hints of a scandal reached the Tories to minority status—and did the same again in 1977 Davis led the party back to majority power in 1981, and by the time he decided to retire last October polls showed that he was more popular than his party and that he would almost certainly have won the next election.

On the eve of the leadership vote, a conservative delegation stood up for an emotional tribute to Davis, 82, and the vision of the folksy and amiable Ontario that he epitomized. Eulogized in film and in speeches, the outgoing premier was, in turn, moved to a rare display of emotion. He listened carefully at attention on all the leadership candidates and told the audience of 3,806 Tories that "I shall miss you—I shall even miss the job some days." Davis concluded that "it is tougher to retire and leave than it is to assume the leadership." "It was the last public speech as the leader and it capped a career that his rivals envied—and that his successor will now strive to emulate. ☐

A practical politician

He is a self-styled small-business conservative and he sometimes equates the job of managing a rural business with the art of managing a provincial government. But during his 13 years in Ontario politics Frank Miller has also learned some hard lessons about leading in popular pressure. During the campaign to succeed William Davis as Conservative party leader and premier, Miller shook down his right-wing voters to insist that they could not elect him—the province's controversial neo-conservative, nor any part of Ontario's network of social assistance programs. As Miller reportedly told delegates, "the shrewd politician looks for the solution that 'criticizes the fatter people—and that is politics."

The affable 59-year-old premier-elect learned to be practical early in life—and that lesson was reinforced through a series of crises. The youngest of five children born in Toronto to Margaret, Frank's father, a tool-and-die maker, died when Frank was 13. In 1941 his mother then moved the family north to the Muskoka resort town of Gravenhurst, where she worked as a domestic. At 16 she was 79. Frank Miller repaired and sold bicycles and later went to work for a local paint company where he met his future wife, a social worker. A year after graduating in 1949 from McMaster's McGill University as a chemical engineer, Miller married a Montreal-born woman, the eve of his 23rd birthday. They have three sons and a daughter.

Miller worked through the 1950s and 1960s teaching chemistry at a private boys' school, selling cars, operating a painting business, running a resort and, after inheriting \$200,000 from a cousin, owning and running a second tourist resort. His political career followed a small-town pattern—president of the local Rotary club, town councillor, and elected member of the Ontario legislature for Muskoka in 1971.

Miller, who learned Frank working for Alcoa Ltd. in Arvida, Que., in 1961,

was the only bilingual candidate in the race—and the only candidate with a small-business background. On the campaign trail he enrolled his free enterprise beliefs: "Get value for the money you spend in running my nation," he told delegates. "You need a leader who understands business, who understands what makes business sweet."

Because of that emphasis on the bottom line, Miller's political life has often been turbulent. Named health minister in 1978, he was in a bind to cut costs by closing small-town hospitals that triggered public protests across the province, and in 1979 the beleaguered minister suffered a heart attack. Later, as provincial treasurer, Miller waged war on spending and in 1982 provoked a major political horse-race by extending the provincial sales tax to automobiles as pets and take-out foods. In 1983 he shipped into a media-jockey job in industry minister. Referring to his inappropriateness as treasurer, Miller recently observed that Conservatives live in "a mind exercise and economic-aid-up politicians." That wary humor could prove an asset if Miller constructs the kind of self-fulfilling image that served him well Davis as well as premier.

His greatest liability could be a tendency to run Ontario as a small business. In office, Miller can be expected to seek economic growth by offering tax breaks to new firms and stimulating business loans for existing ones. But he is likely to avoid deficit-cutting efforts until the provincial economy is more healthy. Many Tories clearly welcome Miller's determination to stress economic issues. "Unless we emphasize job creation and a real economic environment for expansion," he told Maclean's during the leadership campaign, "we will not have government money to provide services like health care." For the time being, Grossman may barely notice the transfer of power to Miller, said, "Ontario does not like dramatic change as it is not going to happen." —MARY JANIGAN



Miller, bottom line



Mulroney in the Commons: fitting the policy to suit the pulse

Changing tack in Ottawa

By Terry Hargreaves

Traditionally, new governments with large majorities take unpopular steps early in their mandate, then work on restoring their popularity. But Prime Minister Brian Mulroney's five-month-old government has reversed that pattern. The Conservative government still holds a commanding lead in opinion polls, but cabinet ministers acknowledged in the Commons last week that the government has decided against making any major changes in family allowances or child-savings programs. With that, Mulroney passed up the most opportune time to implement cost-cutting reforms that some members of his cabinet had believed to be necessary, if disagreeable.

At the same time, news returning from the Christmas recess found Mulroney playing a more subdued and less overtly partisan role in the House. And aides reported that the Prime Minister had decided that his ministers should be more talking in the Commons. Mulroney apparently wants to spend less time in the House before, according to one assistant, he "feels inspired." The change in style is largely a result of public opinion findings. Mulroney has learned that a recent briefing by Terry Polster, Allan Gregg convinced members of the prime cabinet that the focus of public

attention has been slipping away from the government's stated priorities of job creation, economic growth, stimulation of the private sector and reduction of the \$55-billion federal deficit. One outsider said that pulling data gathered late last year skewed them "in the public mind, the government's preoccupation with the deficit has over-arched other priorities." As a result, the cabinet decided to try to redirect attention to the broader, long government agenda.

To that end in the first week of the new parliamentary session, ministers made announcements and answered questions on subjects ranging from agricultural programs to metric policy. Mulroney declared that the government's metric policy had been formulated and had been formalized and would be announced at "an appropriate time."

On foreign policy, External Affairs Minister Joe Clark's announcement of what appeared to be a partial reversal of Canada's opposition to the militarization of space set off a short but heated debate in the House. That overshadowed the result of these

Canadian diplomats from Cairo, apparently for having touched departmental regulations on copyright transactions. Clark argued that it was "unlawful" for the United States to permit research on the "Star Wars" anti-missile defense system while continuing to work toward an arms accord with the Soviet Union. Still, he noted that the deployment of a space-based defense program would have "serious implications for arms control." Liberal Leader John Turner declared that Clark's position meant that Canada could no longer attempt to play a mediating role between the two superpowers, while fellow Liberal Lloyd Axworthy took a stonier line. "It is not the role of Canada to be endorsing or supporting the U.S. inspiring position. I find it shocking and extremely disappointing," he declared.

The government's decision to address a wider range of issues followed reversal of its earlier, tentative support for examining ways to end the non-mortality of social programs—a topic that triggered fierce exchanges in the Commons and led to contradictory statements on the issue by Mulroney and Finance Minister Michael Wilson before Christmas.

According to a party source, Mulroney at the height of the debate informed ministers in private that there was to be "no more mediating in public"—an apparent reference to Wilson's statements suggesting that several programs should be selectively cut back in order to help trim the deficit. At one point during a visit by Mulroney and Wilson to Montreal earlier this month, the Prime Minister—apparently angered by cabinet differences on the issue—told Wilson in his hotel room that a program designed to place unemployed social programs would be dropped. Only later was Mulroney persuaded to reinstate the discussion paper and announce that it would finally be reinstituted when the time was right.

Clearly, the Mulroney government had experienced a serious political setback in its about-face on several social programs. Unless those decisions could result from a review of government programs by Deputy Prime Minister Erik Nielsen, the original Mulroney undertaking to deal with the deficit will have to be abandoned. The Prime Minister, noted an adviser, is "well prepared to make moderate changes when the groundwork has been laid. But right now what seems to matter most to him is to be politically acceptable."

Wilson: better jobs



A crackdown on the bikers

The three-story brick house site in a decline behind a screen of trees and is barely visible from Dufferin Street. But the Toronto clubhouse of the Outlaws motorcycle gang was so well fortified that it took a squad of 687 officers more than 15 minutes to break in. With sandbags buttressing the front of the house, chains link fence along the sides and metal doors on the rear entrance, the stronghold was the prime target last week as police forces in Ontario and Quebec mounted night raids against bikers in 15 cities and towns. Police arrested 84 people—including 32 from the largest-city Toronto house—and laid 300 charges ranging from conspiracy to traffick in drugs to illegal possession of firearms.

The operation—the largest ever mounted against motorcycle gangs in Canada—followed a police investigation that began in February, 1984. The enquiry resulted from a tipoff that members of the Iron Horse, a gang affiliated with the Outlaws, were planning to set up a laboratory to produce methamphetamines (speed) in the area. As the investigation into the gang widened, four undercover police officers, two men and two women infiltrated the Outlaws' Police in Ontario and Quebec also chinked gang members, recruited informants and used wiretaps to gather information on gang activities.

In December a joint forces operation made up of the Ontario Provincial Police, Quebec Police Force and 18 mounted and regular units began laying out the military-style operation that was launched last week in swift succession heavily armed police officers—some of their wearing helmet gear—went into action, raiding house after house in different locations. Police used one when they would not identify, suffered a minor injury in the sweep, police rushed a building near Niagara Falls, Ont., and seized a portable laboratory on making speed and a variety of other drugs including cocaine valued at \$100,000, eight handguns, a 5-man Schmeisser machine pistol and \$46,400 in cash.

The massive police operation reflected concern over the increasing involvement of biker gangs in organized crime. Founded in Chicago in 1968, the Outlaws set up their first chapters in Ontario and Quebec in the late 1970s. During the past several years, the Outlaws among the most active years have been engaged in a nationwide struggle with the older Hell's Angels motorcycle organization for control of street drug sales in Quebec. Once the nation's most feared biker gang, the Angels are now active only in British Columbia, the Maritime pro-



Police with weapons feel underdog

vinces and parts of Quebec. Last year police estimated that in Quebec alone between 40 and 50 deaths resulted from disputes among bikers and other gangs for control of the drug trade. Throughout Canada police say that more than 28 deaths were directly related to biker gang activities during the first nine months of 1984.

Gangs like the Outlaws have become increasingly sophisticated. Gang members, said Const. Charles Pease of the Montreal Urban Community police, "only get the bikers out for armed now. They are more likely to drive fancy cars and wear business suits." Indeed, one of the Outlaws picked up in last week's police sweep turned out to be a hero. John Kirtland, 35, was released only from a learning center Toronto last year and will be awarded a Governor General's medal for bravery this spring, was arrested and charged with drug offences and possession of a restricted firearm. In the meantime, one of the effects of last week's massive crackdown could be to intensify the rivalry between the warring bands. With the Outlaws weakened in their Ontario base, noted Scott Tait, John Evans of the Metropolitan Toronto Police. "There is a good possibility that the Hell's Angels will consider this an opportune time to move into Ontario."

—PAUL BENTON in Toronto

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The search for Doctor Death

A chief physician at the Nazis' Auschwitz death camp in 1943 and 1944, Dr. Josef Mengele would greet trainloads of newly arrived prisoners and send them either to the camp's gas chambers or to his medical lab. There he performed a series of heinous experiments on hundreds of dwarfs, cripples and Jewish children as part of his research into ways of genetically creating a master race. At the end of the Second World War, Mengele fled, and now he is widely believed to be in Paraguay. Last week documents released by Los Angeles' Simon Wiesenthal Center sent officials in Ottawa and Washington on searches through their records after new information pointed to the possibility that Mengele may have been in Canada. It also raised disturbing questions about why, if Canadian and U.S. authorities had clues to his location at various times, there had been no apparent move by either government to bring him to justice.

Documents released by the centre at simultaneous press conferences in New York and Toronto revealed for the first time that U.S. military authorities arrested and released Mengele in Austria in 1947. As well, they showed that a man



Mengele: Heinous experiments

who may have been Mengele later tried to emigrate to Canada. According to U.S. intelligence documents obtained by the centre through the Freedom of Information Act, a man named Dr. Josef Mengele was interviewed for landed immigrant status by the Canadian Embassy in Buenos Aires in 1948.

When the application was forwarded for a security check to Cologne, West Germany, secret visa control officer G. Mel Bailey asked the U.S. Army central registry for background information. That turned up the fact that Josef Mengele was a pseudonym used by Mengele. But the Canadian government apparently did not inform the West German government that the man in Argentina might be Mengele, even though the West Germans had issued a warrant for his arrest.

Currently, according to Sol Littman, Canadian representative for the Wiesenthal Center, neither the federal immigration service nor the secret appear to have any record of the application, or any written record that it was rejected. But, said Littman, there was a slight possibility that Mengele might have come to Canada, "and he may have gone. Certainly, he was looking for a safer place to hide in 1948."

The Wiesenthal Center first brought the information to the attention of Prime Minister Brian Mulroney in a

letter dated Dec. 20. That letter apparently languished in a pile of Christmas mail until brought to the attention of the man by Mulroney's. The letter asked Ottawa to give U.S. officials the necessary approval to release four other Canadian documents on Mengele that are contained in U.S. government files but could not be released under the Freedom of Information Act because a foreign government is involved. One of those documents, reported Littman, would most certainly contribute to a better understanding of Canada's handling of the Mengele case.

Sollicitor General Elmer Mackay said that approval for Washington to release the documents would be given immediately. For his part, Mulroney pledged that an urgent investigation would be launched to determine whether Mengele—or Mengele—was ever granted refuge in Canada. The suggestion that the Canadian government "might have inadvertently been a party to his seeking to find refuge here," Mulroney told Parliament last week, would be "repulsive and repugnant in the extreme to our citizenship."

The renewed interest in Mengele led to new demands from reporters and the public for the release of a secret secret report on Canada's policies in the past toward war criminals. The report, which, according to government critics,



Corpses at Auschwitz, master race

criticized Ottawa for its past failure to prosecute suspected war criminals, was commissioned in early 1984 by then-Sollicitor General Robert Kaplan. Last week Kaplan told Mulroney's that, although the report makes no reference to Mengele, 30% of investigations last year managed to uncover two other suspected Nazi criminals living in Canada. "We're talking about murderers," said Kaplan. "It's very important for Canada to show to its citizens and the world that such people don't find refuge in Canada."

Staff members at the Wiesenthal Center contend that Nazi war criminals have in fact found refuge in Canada in the past. And Littman says that after Israeli agents kidnapped Adolf Eichmann from Argentina in 1960, hundreds of other Nazi war criminals suddenly felt insecure in South America and began looking at Canada as a possible haven. According to Littman, as many as 2,000 Nazi war criminals and wartime collaborators may still be living in Canada. Since the Second World War, only one Nazi war criminal has ever been arrested in Canada. Former SS Staff Sgt. Helmut Rausch was arrested in Toronto in 1982 and extradited to West Germany on charges of murdering 11,000 Lithuanian Jews. Rausch died of intestinal cancer in a West German prison before he could be brought to trial.

—DILLY MacKILLIE in Ottawa.

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The Secret World of Howard Hughes

He was a man of simple tastes. All Howard Hughes ever wanted was money, power and sex. He amassed huge quantities of his first two indulgences—and the women whom the flamboyant aviation engineer, pilot and movie producer attracted form a pantheon of Hollywood goddesses. The exploits from the early 1930s to the 1950s alone guaranteed that the enigmatic, four-inch Texas billionaire would endure as an eternal legend. But the most fascinating phase of his life was still to come.

By the mid-1950s Hughes had become a permanent eccentric. In contrast to his earlier career, he turned into an almost total recluse, surrounded by guards, moving

furtively from one country to another and hiding in luxury hotel suites until he died in 1966 at the age of 70. (From March to September, 1955, he lived in a penthouse in the Bayshore Inn in Vancouver.) And his tastes—especially for power—became obscenely. He eventually committed himself that he could buy anything or anyone—including the United States of America and two of its presidents, Lyndon B. Johnson and Richard M. Nixon. As author Michael Drosnin chronicles in his new book, *Crazy Hughes*, the mystery man's activities ultimately led to Watergate and Nixon's resignation.

Drosnin, a former reporter for *The Washington Post* and *The Wall Street Journal*, based his research on more than 3,000 pages of Hughes's own handwritten memos, all authenticated by graphologists and by the man to whom most of them had been sent: Hughes's former chief aide, Robert Maheu. The memos' history, intriguingly, is also the stuff of legend: subscribers state them from Hughes's Hollywood headquarters in 1934, and then, in 1957, one of them gave a large number of originals to Drosnin and let him enjoy the rest. Maheu's son has obtained exclusive first Canadian rights to excerpt *Crazy Hughes*.

From *Crazy Hughes* by Michael Drosnin. Copyright © 1994 by Michael Drosnin. Reprinted by permission of the author and publisher, Doubleday, a Division of Random House, Inc. and Viking Penguin, Inc. Distributed by the New York Times Company.

Part I is an account of Hughes's descent into madness and self-isolation—with an accompanying dread of contamination that went to rule the rest of his life.

By Michael Drosnin

A huge gangster of a blackmailer, heavily greased and dripping with it, had vaulted his mutant mustaches, slipping past the locked door, the armed sentry and the phalanx of Merriens through the most guarded opening. Howard Hughes, sick with fear and revulsion, cried out in the night, writing to his chief of staff Robert Maheu, "I hate to disturb you this late," he wrote in a shaken script, "but I just saw something on tv that literally [sic] and actually physically made me nauseated and I still am!"

"I saw a show on tlc in which the biggest ugliest Negro you ever saw in your life was covered...literally covered from head to foot with vaseline almost 1/4 of an inch thick. It made you sick just to look at this man. He walked over next to an immediately dressed white woman—sort of an English noblewoman type. So, after a minute or two of talk the man grabbed this woman, opened his mouth as wide as possible and kissed this woman in a way that would have been cut out of any movie even if the people involved had both been of the same race."

The "Negro" was, in fact, James Earl Ray, playing gangbanger Jack Johnson in *The Great White Hope*. That realization did nothing to still the billionaire's sense of outrage. "Bob," he concluded, "I don't care if this was the re-enactment of the Last Supper, that first scene is going to cause some concern."

Of all of Hughes's phobias and obsessions, few were more virulent than his fear and loathing of blacks. Hughes himself attributed his prejudice and paranoia to a traumatic event in his youth. "I was born and lived my first 20 years in El Paso, Texas," he explained. "I lived right in the middle of one race riot in which the Negroes committed atrocities to equal any in Vietnam." In fact, when Hughes was only 11 there had been a dramatic explosion of black rage in his rigidly segre-



gated hometown. On the night of Aug. 30, 1967, more than 100 soldiers from all-black infantry battalions stationed near the city set off rifles and marched on Houston to avenge the beating of a black officer by white policemen. Sixteen whites were killed in the three-hour uprising.

Undoubtedly that night did have a real impact on young Hughes. However, half a century later, the well-guarded recluse was besieged not by armed mobs but by phantoms of his own creation. Actually, it was his terror of blacks that had driven Hughes to take a first decisive step in total seclusion. After his marriage, Hughes and Jean Peters lived in separate bungalows at the Beverly Hills Hotel, seeing each other only for marathon movie-watching trysts at night. They met each evening for their own "Late-Late Show" at Goldwyn Studios until Hughes discovered that his screening room there had been used to show rushes of *Porgy and Bess* to all-black cast. He never set foot in that theatre again.

Now did he ever again invite Jean to watch movies. Instead, Hughes moved alone to Nasrock's Projection Studio on Sunset. Secluded, set up houses there, kept his new location secret from his wife and told her he was in the hospital with an "endless disease." It was half-true. For it was in the three months Hughes spent alone at Nasrock's that things first turned really weird.

At first he spent his time talking to bankers and lawyers, all the while compulsively checking the television with Kleenex or endlessly arranging and rearranging a half-dozen Kleenex boxes into various geometric designs. For several weeks he wore the same white shirt and vest slacks. Then one day he stripped off his rumpled clothes, went about naked, stopped talking to bankers and lawyers and ordered his aides to maintain strict silence. Finally, Hughes issued a blanket decree: "Don't try to get me for anything. Wait until I call you. I don't want any messages handed to me." Now he was set. He remained in the studio in silent seclusion until the late summer of 1968, when he suddenly moved back to his bungalow—and there had a complete nervous breakdown.

Blacks may have precipitated the move that cut him off from his wife and left him alone with his madams, but blacks were not the real threat. The real threat was "contamination." The most dangerous was invisible. German Hughes set up bungalow in five pink bungalows at the Beverly Hills Hotel, and from his headquarters, Bungalow 4, commanded his troops in the germ-warfare campaign. With germs, as with blacks, there had been childhood trauma. But his parents had died suddenly, unexpectedly, his mother when he was 16, his father when he was 18. But his long-standing terror of bacteria was by now irrational. And it dominated his entire life.

Hughes cut off all human contact—everyone was a dangerous carrier—except for his clean-living sister Norma, guardian of the few who dealt with him personally. At the same time, he was to handle, first and last, in a 90-minute purification ritual called "procestrina"—wash four distinct and separate times, using lots of lather each time from individual bars of soap—and then don white cotton gloves Hughes demanded that everything his Normans delivered to him with their gloves, procestrina hands also had to be wrapped in Kleenex or paper towels, "maskalines" to protect him from "contamination."

Seated naked in a white leather chair in the "germ-free zone" of his darkened bungalow, its window sealed shut with masking tape, the bilinears began to dictate a complete "Procestrina Manual," a series of meticulously detailed memos codifying such rules as the number of layers of tissues required in handling particular items, or in his case, even so almost never more. "Mr. Hughes would like you to bring a box of shirts, a box of trousers and a box of shoes," began one typical "Operating Memorandum" titled "Taking Cloth-

ing to H.R.H." "He wants you to obtain a brand new knife, never used, to open a new box of Kleenex using the knife to open the slit."

"After the box is open you are to take the little tag and the first piece of Kleenex and destroy them, then using two fingers of the left hand and two fingers of the right hand take each piece of Kleenex out of the box and place it on an unopened newspaper and repeat this until approximately 98 sheets are neatly stacked. You then have a paddle for one hour. You are then to make another for the other hand, making a total of two paddles of Kleenex to use in handling



these three boxes Mr. Hughes wanted you to remember to keep your head at a 45-degree angle from the various things you would touch, such as the Kleenex box itself, the knife, the Kleenex paddles. The thing to be careful of during the operation is not to breath upon the various items."

Hughes himself, of course, could never be touched. Not by naked or even gloved and scrubbed hands. On those rare occasions when contact was necessary, as with a wake-up ritual he devised, full insulation was required. "Call Roy and have him come up to the house and awaken H.R.H. at 10:15 a.m. sharp if H.R.H. is not awake by that time. With 8 thicknesses of Kleenex he is to touch H.R.H.'s seven eyes in awakens, increasing the pressure each time. If Mrs. Monroes, themselves reduced to sterile instruments, obediently followed every mad detail of their master's hygienic rituals, never questioning their missions even as they waded through the filth and debris of his bedroom, pushing their way through the piles of newspapers and dirty Kleenex, treating carefully so as not to stir up the dust.

Hughes could not bear to part with anything that was his. Not his dust, not his junk, not his hair, not his fingernails, not

his smut, not his armpits, not his duds. His hair and beard went uncut for years while highly paid barbers stood on standby, he stopped trimming his nails when he somehow "lost" his favorite clippers in the debris of his bar, soon he began to stare his crime in rigger just kept first in his Bel Air garage and later in his Las Vegas bedroom, and he was to eternally becothos, as stable to let go of his bodily wastes, that he once spent 36 consecutive hours sitting on the toilet without results.

Now could he let go of his wife. He kept Jean a safe distance away in Bungalow 29, out of the combat zone, and barely saw



June Russell in Hughes's *The Outlaw* and (left) Terry Moore, allegedly his third wife, a teen angel, remained on standby

her at all for three years. He tried to keep her from going anywhere, to trap her in his rooms, always finding reasons to delay her planned excursions. When he had to let her loose, his men always escorted her, following detailed written instructions in which Jean was often code-named "Major Bertrand." One such memo—"Handling Major Bertrand for Theater"—ordered: "If necessary to open the doors entering the theater or closing the doors, do so with the feet, not the hands. If it is necessary or common procedure to enter the theater with her to lower the seat for her, do so with Kleenex."

Any sign that Jean was sick, that she had become contaminated, had to be reported immediately to Hughes, and she had to be prevented from seeing any doctors but his own, and never before he had been consulted. "If the situation is critical enough, then it is permissible to let a doctor call her on the telephone. Under no circumstances should she be allowed to go see a doctor either at an office, a hospital or any place else, until H.R.H. has called to her first.

"The doctor should be instructed to give her only such information that might be required for immediate relief of pain, or immediate medication, if required. This is to be done only if the immediate effect on the disease would be repaired by a delay. It is assumed that there will be some conversation on the telephone of all other efforts to delay involvement until H.R.H. is available fast, but the doctor must be instructed, not said but instructed, to tell her nothing more than what medicine she should take to prevent further expansion of the ailment. The doctor should avoid giving her a diagnosis of any kind, or indicate the treatment required on an extended basis.



Only the very immediate treatment should be offered."

Hughes himself would make the ultimate diagnosis and decide the course of treatment. "H.R.H. could use the fact that there is to be further treatment, or the fact that she doesn't know what the specific ailment is, as a basis of telling her something which might break her at the waiting hall, get her to eat more regularly, or any number of things that would be for her own good. This could not be accomplished if the doctor were to inform her completely. After the first contact between the doctor and Mrs. Hughes, you'll have to watch to see that she doesn't get the doctor back. If the doctor is at home, his wife should be asked to answer the telephone and say that the doctor is out. The doctor should report back the complete conversation between himself and Mrs. Hughes."

Contaminated women had always been a special problem. Once, years earlier, Hughes had burned his clothes, everything he owned—shirts, shorts, ties, socks, sweaters, even all his towels and rugs—after he heard a rumor that an actress he once dated had a venereal disease. Now he didn't

As any clothes to burn, but did he see any women. In fact, Hughes may well have gone into seclusion largely to escape his new wife. He began to withdraw almost as soon as they got married. Clearly he could not share his life, could not handle the intimacy. But it was more than that. Hughes actually seemed to be afraid of "The Major." The troubles he had in a simple noous affair with a teenage mistress, more fondly called "The Party," suggests there was an even deeper reason.

All the while he was seated Jean, Hughes was smiling like a teen angel on the side. She was the last of the harem. Barely 16 when he plucked her out of a local beauty contest, she remained as shocked even after his marriage, standing in a carefully demarcated laboratory at Coldwater Canyon under guard and under surveillance. Hughes brought her to his bungalow only once, to celebrate his 33rd birthday on Christmas Eve, 1968, his last extramarital fling. Rumors to have been less than a convoluted success. As the night went by without another date, "The Party" cursed and howled. Hughes unmercifully. The guards begging her please to leave, but "The Party" did not of a bitch, she screamed. "You never come to see me. I'll let you catch even get it up anymore, you impotent old shit!"

Impotent? The playboy here of The Carpetbaggers, known for his string of mistresses, may have been driven into seclusion by his fear of women, as desperate to escape his wife—and his his impotence—as to escape the rapes and the blacks and all his other sundry mistresses. But he would find her forever, moved to Las Vegas alone, and spend the rest of his life surrounded by male courtiers.

But he would never find sanctuary from "contamination."

The nuclear obsession

Part 2 describes how Hughes, holed up in a Las Vegas hotel penthouse, terrified of nuclear tests in the desert, attempted to hold the White House against its will. Paul Lusk and Lee Harvey Oswald mounted a high-pressure campaign that reached the White House and Lyndon Johnson.

It was already well into the evening of a very bad day when Howard Hughes finally reached for his afternoon newspaper, carefully extracting the middle copy from a pile of three, thus avoiding contamination from the two exposed editions. The headline hit him without warning: "Harvey's Mightiest A-Bomb Near Vegas." "That is the last straw," he scribbled in a rush of fear and anger. "I just this minute read that they are going to shoot off the largest nuclear explosion ever detonated in the U.S. And right here at the Vegas Test Site. I want you to call the Gov. at once and the Senators and Congressman," Hughes ordered his chief of staff, Robert Maheu. "If they do not cancel this test, then I am going direct to the President in a personal appeal and demand that the entire test program be moved."

It was Tuesday, April 16, 1968. The bomb was set to be detonated in 10 days. Firing off more after memo to Maheu, Hughes ordered him "to bring to bear on the AEC [Atomic Energy Commission] the very strongest, all-out concerted effort you can organize, in a final fight to the very last ditch. I want you to burn up all of your blue chip stamps, all the

best you have coming, and every other last little bit of pressure you can bring together in one intense, extreme, final drive," he enjoined.

Then came an unexpected breakthrough. Maheu told his boss, "We have gotten word to the vice-president and he will attempt to accomplish a 90-day delay." Hubert Humphrey, soon to announce his candidacy for president and, as usual, short of funds, was only too happy to be of service. Moreover, they Paul Lusk was prepared to join Humphrey in calling for the moratorium. "I have just completed at Maheu's conference here with the governor," Maheu explained. "He agrees with us 100 per cent—particularly since you have made it clear that all the study and research could still continue in Nevada—with the exception of the Maheu per se."

"Well, I have this whole campaign in your hands," replied Hughes. "I am sure you should personally go to the White House after we have obtained the 90-day delay and endeavor to sell the President on a permanent policy. I am sure H.H.H.," he continued, with a chummy reference to the co-operative vice-president, "would be glad to go with you and set up the appointment. You have gotten a lot of publicity as my old representative in important matters and I definitely feel you would be more well accepted at the White House than anyone else I know of."

Nobel Prize laureate Linus Pauling soon joined the "Bomber" (code name for the nuclear testing program) protest, as did longtime nuclear foe Barry Commoner. "We're making a lot of progress," Maheu reported to the penthouse. "Today the vice-president requested date which is already on its way to his office. We have the State of Utah on its arm and their efforts will be felt in Washington starting tomorrow. We are beginning to receive the data (wires from scientists) which Gov. Lusk requested. He now wants (California) Gov. [Ronald] Reagan to join in our efforts." The sense of triumph, however, was short-lived. Maheu, having gathered the support of 56 "prominent scientists," publicly announced his plans for the next week. It drew an immediate and complete rebuff from the AEC:

"Bomber," the government agency declared, was a "weapons-related experiment, designed to improve the nation's nuclear armament capacity"—specifically, to develop a warhead for the then-advanced subliminal machine (AEC) system. A moratorium was not of the question. The AEC's national-defense claim hurt Hughes with his more traditional allies, and only days before the scheduled blast vital political support disappeared. First Nevada's two United States senators, Howard Cannon and Alan Bible, deserted Pauling, even Lusk announced his strategy.

It was time for direct action. Sovereignty to sovereignty. "Mr. President," wrote Hughes, taking his appeal to Lyndon Johnson, "you may not remember it, but years ago when you were in the Senate, you and I were acquainted, not intimately, but enough so that you would have recognized my name. So, when you became President, I was strongly tempted to communicate with you, as an occasion after another developed in which I urgently needed your help. However, I decided you were too busy for me to disturb you for anything with a purely selfish purpose."

"Now, something has occurred that only you can alter from its present course. Based upon my personal promise that independent scientists and technicians have definite evidence, and can obtain more, demonstrating the risk and uncertainty to the health of the citizens of southern Nevada, if the nuclear explosion is detonated tomorrow morning, will you grant even a brief postponement of this explosion to permit my representatives to lay before whomever you designate the urgent, compelling reasons why we feel a 90-day postponement is needed?" The four-page letter had taken Hughes all night and half the day to write and rewrite. The blast was now less than 24 hours away.

Washington attorney Thomas Finney—law partner of Johnson's newly appointed secretary of defense, Clark Clifford—hand-delivered Hughes's impassioned plea to the President's office. Johnson had just returned from getting a haircut and was about to change into tux for a state dinner honoring the King of Norway, when the letter finally reached him early the evening of April 25.

The President was in a foul mood. His day had been a disaster. Arthur Goldberg had suddenly quit as US ambassador in a bitter confrontation over Johnson's war policy, so one else was left the job, and George Ball had to be designated

Humphrey and Johnson: Hughes may be wrong, said the President, but he sure as hell was a scoundrel



into accepting it. Hansen was threatening to abandon the stalled peace talks, antiwar demonstrators were converging on New York for a march the next day, militant students had just asked several buildings at Columbia, top administration officials were deferring to support Kennedy, and with all their growing problems, surrounded by masters and turned, the President had to spend half his time playing host to King Olav, who arrived that morning for a state visit. "This is the dumbest thing I've ever met," complained L.L.J., adding with some impatience, "I didn't know they made kings that dumb."

So when Johnson picked up the Millennium letter, his first reaction was blind outrage. "Who the hell—(see Howard Hughes then he left?) The President bellowed, seeing the desperate plea to halt the bomb test as yet another challenge to his power. Belieged as he was, Johnson did not ignore the bomb plea, nor did he take it lightly. In a move without precedent, he withheld approval of the scheduled blast, secretly alerting the AEC to await his final go-ahead.

The President's mood swung was dramatic. Although still more than a bit irritated that any private citizen would presume to dictate national defense policy, Johnson was also fascinated, even flattered by the hidden billionaire's direct approach. He proudly displayed the letter to several White House aides, more like a kid who had just obtained a celebrity's autograph than a President who had been petitioned to halt a nuclear test. Moreover, the President was clearly impressed by what he considered the surprisingly logical and forceful case the reputedly eccentric financier had made. "He may be wrong," Johnson told his chief speechwriter, Harry McPherson, "but he sure as hell isn't a loony."

Back at the penthouse, the naked recklessness was confident he had made the right move. "My letter to the President was a masterpiece," he boasted. "Also when I started doing my memory on the relationship I had about 35 years ago with Johnson, I came up with some very solid memories." Solid memories? To Hughes that could mean only one thing: hard cash. And, indeed, the two Texans had once had what Hughes would later

describe a "fated crash, adult" relationship. Hughes had not only backed Johnson's first serious White House bid eight years earlier (when he had lost the Democratic nomination to their mutual enemy John F. Kennedy), but had secretly supported Johnson for at least two decades, right from the beginning of his rise to power as a freshman senator.

In his latter years as a row-boned young congressman, Johnson was a regular visitor at the Houston headquarters of the Hughes Tool Company, where he befriended the owner-son-toy executive, Frank Dietrich. The big Houston bid in hand, Johnson asked for first use of company billboards for his first Senate race. Dietrich refused, preferring to use them to promote a Hughes subline, Grand Price Beer. After an 11-state victory in his second try for the Senate in 1946, however, "Landslide Lyndon" seemed a better investment. His triumph—marred by charges of ballot stuffing—happened to coincide with Hughes's first big plunge into being national power, as Johnson soon joined ranks with other politicians already on the Hughes payroll. (Johnson was taken care of annually, recalled Dietrich. "On the basis of contributing to the former campaign, the present campaign, and the anticipated campaign, why, we could legally give him \$1,000 a year.")

Johnson was then a newly elected senator with no campaigns to run for another six years, but as his longtime aide Bobby Baker, later noted, "He was always on the look-out for an old nickel or dime." Hardly put a national figure, as a member of the powerful Senate Armed Services Committee he nonetheless soon became known far his uneasy ability to land military contracts for his defense-industry backers. Hughes, although only three years older than Johnson, was already a national legend, but he was just then emerging as a major defense contractor. Quoted by the "Strombe" Goossens a year earlier, and in mood of well-placed friends, he sent Johnson \$5,000 a year for at least four years, at a time when a senator's salary was only \$12,500. This money came from a Hughes Canadian subsidiary, the Hughes Tool Co. (Canada) Ltd. in Calgary, especially set up to bypass a ban on political contributions from domestic corporations.

Now, as President, Johnson took personal charge of the bomb controversy and mobilized half the White House staff to deal with Hughes. National Security Advisor Walt Rostow, ABC Chairman Glenn Scobee and the President's screen director, Donald Hoffman, were entrusted to report on the substantive issues in the better. Marvin Watson, his second-in-command, Jim Jones, and Harry McPherson were assigned to coordinate the project and draft a reply to Hughes. Johnson returned from the King-Of-Arms dinner shortly before midnight to find their report waiting. Rostow reassured Johnson that the planned bomb test was entirely safe and under control.

Hours later, just minutes before the blast, all undecided, Johnson received a final bomb report from his top science adviser, Horng. "There is still time to act in the next 15 to 20 minutes," Horng informed the President. Ref. joining Rostow, he urged Johnson not to halt the scheduled blast. "A complete cancellation seems inadvisable," his message read. "The test will furnish a self-defense point for the ARMS warhead, and is needed for that purpose and is a good test for a Polaris warhead. I recommend that we do not change the test plan."

That made it too plain. The President could not, against the sprightly worded advice of all his experts—against the entire national defense establishment—cancel a major nuclear weapons test at the demand of one private citizen, one Hughes. Johnson decided to detonate the bomb.

Two weeks later a double envelope, the inner one marked "Personal & Confidential to Mr. Hughes," arrived at the Desert Inn. Inside was a two-page message from Lyndon

Johnson. The entire tone was respectful and reassuring. To Hughes, however, the President's letter was a deliberate slap in the face. Not only had Johnson failed to stop "Bomber," not only had he refused to meet all future visits elsewhere, but he had kept Hughes waiting two weeks for a reply. The belittlement was enraged.

"I think you should try to determine who in the real, honest-to-God bagman at the White House," he urged Maheu. "And please don't be frightened by the enormity of the thought. I have known for a number of years that this particular Democratic administration is just as crooked in its core as I. Now, I don't know where you have to go, but there is somebody, not my word for it." Finally, in a casual postscript to a somewhat chilling memo, Hughes took the true measure of the man he had tried to reach by honest reason. "P.S. One thing I should have told you, in connection with my assumption that the Pres. may have wanted the two weeks to hear from me on some kind of a hard-nuck, adult, basis, I should tell you that I have done this kind of business with him before. So, he wears no awe-inspiring robe of virtue with me."

"Now," concluded Hughes, in a diabolic expression of free-enterprise morality, "I think there is a market-place, somewhere, where the things we want can be bought or sold, and I urge that instead of spending any more time beginning for a free hand-out, we find the right place, and the right people and buy what we want."

The Kennedy affair

Part 2 outlines the way in which Hughes put Larry O'Brien on his payroll at the same time that O'Brien was Democratic National Committee chairman. O'Brien could be helpful in Hughes's difficulties over antitrust legislation.

Emaciated, practically skeletal with only 120 pounds stretched out from his thin chest, he wore a frame, and hardly a speck of color about him anywhere, not even in his lips. Howard Hughes seemed not merely dead but already in decay. Only the long gray hair that trailed halfway down his back, the thin, scraggly beard that reached midway onto his mackerel chin, and the hideously long nails that extended several inches in grotesque yellowed coruscations from his fingers and toes seemed still to be growing, still showing signs of life. That, and his eyes. Sometimes they looked dead, blank. But other times they gleamed from their deep-sunk sockets with serpentine, almost frightening intensity.

Many of his teeth were rotting black stumps, some just dangling loose from his puffy, whitened, pin-filled gums. A tumor was beginning to emerge from the side of his head, a redoubled lump protruding through sparse strands of gray hair. He had become fixated all down his back, some so severe that eventually one shoulder blade—the bare bone—would poke through his parchment-like skin. And then there were the needle marks. The telltale tracks ran the full length of both his thin arms, scored his thighs and clattered horribly around his groin.

Howard Hughes was an addicted, a hellfire junkie. He was shooting up massive amounts of cocaine, routinely "kicking" more than 20 grains daily, sometimes three or four times that much, regularly taking doses though lethal. He



Robert Kennedy: Hughes did not want an alliance—he wanted his whole team on his payroll.

had been hooked for two decades, ever since a 1946 plane crash, when his doctor prescribed morphine to ease the pain of what everyone thought would be his final hours. As he instead recovered, the doctors substituted cocaine, and through the years Hughes demanded ever-larger doses, finally setting up a byzantine illegal supply operation, getting prescriptions filled under assumed names at various Los Angeles hospitals.

There were other drugs, and the cocaine was not the worst of them. Hughes was also gulping massive quantities of tranquilizers, up to 200 milligrams of Valium and Librium at

one time, or three times the normal dose. And when he wasn't snorting cocaine, he was retooling bottles of Ecstasy, Aspirin, caffeine and a synthetic pain-killer called phenothiazine. It was not the cocaine but the phenothiazine that was doing the real damage, dragging his already charmed-out kidneys eventually to would kill him.

On June 4, 1968, Howard Hughes, in his Las Vegas penthouse, watched on TV a red-eyed Frank Monkiewicz walk into a hospital lobby into the floodlit hospital lobby to confirm everybody's worst fears. The press secretary bowed his head for a moment, then read a brief statement. "Senator Robert Francis Kennedy died at 1:44 a.m. today. He was 42 years old."

Hughes began to scowl a fevered memo to Maheu. "I hate to be quick on the draw," wrote Hughes, "but I just have an opportunity that they may not happen again in a lifetime. I don't appear to be President, but I do want political strength. . . I have wanted this for a long time, but somehow it has always ended up. It means the kind of organization so that we could never have to worry about a jerky 100th thing like this antitrust problem—not in 100 years. And I mean the kind of a set up that, if we wanted to, would put God himself in the White House in 1972 or '76."

"Anyway, it seems to me that the very people we need have just fallen smack into our hands. Also, if we approach them quietly and skillfully, they should be as amenable to find a way to be as we are to obtain them."

So, in consideration of my own nervous system, will you please now like lightning on this sheet—first, to me, and second to contact such people with absolutely no delay the minute I confirm your recommendation."

Maheu failed to fully grasp the magnitude of his new mission. "Rob," wrote Hughes impatiently, "I thought you would understand. I want to see how Rob Kennedy's entire organization—with serious suspicion of mine, I am sure we want [Harold] Balmager and a few others. However, here is an entire integrated group, and to getting things done over all obstacles. They are used to having the Kennedy money behind them and we are equal that. This group was

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shared by John Kennedy and his brother, and then moved over to R.F.K. when John died. It is a natural for us. I am not looking for political favors from them. I expect you to pick our candidate and soon. I repeat, I don't want an alliance with the Kennedy family. I want to put them on the payroll. Mahon understood. And he delivered. Not the entire Kennedy team, but the leader, Bobby's campaign manager, Larry O'Brien. After 16 years in service to the Kennedys, from Jack's first Senate race to Bobby's last campaign, Larry O'Brien was suddenly left without a job, without a patron, with no idea how to support his family or what to do next. He was stilling house in Washington when Mahon called. Mahon later reported to the presshouse. "Larry O'Brien—he is coming here on Wednesday next for a conference as per our request after the assassination of Senator Kennedy. He is prepared to talk employment and has received a commitment (without any obligation whatsoever) from the four or five key men in the Kennedy family that they will not become obligated until they hear from him."

The leader of the Irish Mafia arrived in Las Vegas on the fourth of July. He was put up in style at the Desert Inn and had the run of the town, compliments of Hughes, but he never met his would-be boss in the room upstairs.

Mahon told O'Brien that Hughes had a problem; he did not think that his "good works" were sufficiently appreciated by the American people. Over the next two days Mahon met with O'Brien. They were quite candid about each other. Hughes was now engaged. First, there was his stalled Monopoly game of acquiring casinos in Las Vegas. Then, his legal battle over taxes and taxes. And that very weekend, he launched a plot to take over Air West and launched his sudden raid to seize control of the American Broadcasting Corp. (ABC). That particular set of maneuvers required extensive permission. According to Mahon, O'Brien was quite encouraging about the ABC raid. "He feels that we have no insoluble conflicts before the FCC (Federal Communications Commission) and/or the Dept. of Justice," Mahon reported to Hughes.

Hughes was eager to put O'Brien right to work. Indeed, he wanted to see him that night in the Oval Office. "It seems to me, Bob, there is a dangerously easy way to get an immediate answer to the network decision," he wrote. "I think such an answer should be obtainable by Mr. O'Brien marching in and collaring Johnson and saying, 'Look, my friend, my client Mr. Hughes has initiated the machinery to acquire control of ABC.'"

O'Brien met with Mahon for a second round of talks in Washington at the end of July in their meeting at the Madison Hotel; he gave O'Brien the \$25,000 Hughes had promised Bobby Kennedy just before the assassination. O'Brien passed on the cash-filled manila envelope to Kennedy's brother-in-law Steve Smith, who gratefully accepted Hughes's annual expression of confidence. And at that Washington meeting, Mahon and O'Brien came to terms. Hughes would become a client of the newly formed O'Brien Associates, and its proprietor, Larry O'Brien, would get \$15,000 a month, \$500 a day, for at least two years, a \$300,000 secret contract. Hughes had done it. He had captured the leader of the Kennedy gang, the tip of the spear.

O'Brien Associates opened for business on Oct. 1, 1968, just in time to help revise national tax legislation for the chief client, Howard Hughes. The Tax Reform Act of 1969 was the worst sweeping overhaul of the country's revenue system in history, and it posed a real problem for Hughes and the billionaire's big charity—the Howard Hughes Medical Institute. Like the other great philanthropists—Ford, Rockefeller, Carnegie—Hughes had discovered a way to get great deals on federal income with and without paying taxes. He created a foundation. But Rep. Wright Patman, the Texas populist who had been given his power as chairman of the House Banking Committee to push a congressional investigation

tion of the foundation game, discovered that the Howard Hughes Medical Institute had only one real beneficiary: Howard Hughes. In the 15 years since its founding, the institute had given only \$1 million to medical researchers and had lost back almost \$84 million to the IRS.

Into the breach stepped Larry O'Brien. "I am thoroughly knowledgeable of the affairs which has existed for years between Patman and O'Brien," Mahon reported to the presshouse philanthropist. "In addition, I accidentally found out last night that Dick Danner (Richard Danner, a longtime Nixon associate who handled dealings between Hughes and the White House through Nixon's closest friend, S. Robt. Helms) and Patman have been close friends for many years. Unless you advise me to the contrary, it is my intention to coordinate seeing Danner and O'Brien a program which perhaps could get Patman off my back."

By the time the two bill themselves from their Senate consultation, it had a special loophole one tailored just for Hughes. Now hidden in the 255-page law was a single sentence that exempted "medical research organizations"—namely the Hughes institute. Richard Nixon had not done quite so well. On Dec. 30, 1969, after threatening a veto, he bitterly agreed to let a tax reform act that eliminated the deduction for his private papers. The repeal was retroactive to July. Nixon had missed the cutoff date. He had blown the chance for his big tax break. Or so it seemed.

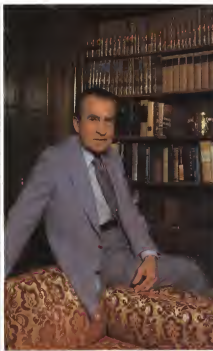
But on April 20, 1970, there was another signing ceremony in the Oval Office. On that day, the President signed his 1969 income tax returns. He claimed a charitable deduction of \$75,000 for his papers and attached a deed showing that they had been donated to the National Archives in March, 1969, four months before the new deadline. The whiggish writing of allowed Nixon to escape virtually all of his taxes while he was President. In 1970 he paid \$782.82. In 1971 he paid \$873.68. In 1972 he paid \$4,396. There was only one problem: It was all a fraud, one his own lawyers would later call "the Presidential Papers Caper." Nixon had backdated the deed on his papers, cheated on his taxes and avoided \$467,000 he owed the Internal Revenue Service (IRS).

By the time the President backdated his deed, Larry O'Brien had once more become chairman of the Democratic National Committee. For the next year he would escort Howard Hughes and the Democrats simultaneously, and Nixon's concern about the Hughes-O'Brien relationship would become an absolute obsession.

The Nixon connection

Part 4: *elephant how Hughes, now a partisan, supported Richard Nixon through his shakedown career, giving him loans and campaign contributions—and expecting performance in return.*

If a Richard Nixon, Howard Hughes had at least what he had always wanted—a debtor in the Oval Office. "I am determined to elect a president of our choosing this year and one who will be deeply indebted, and who will be vulnerable to my influence," he wrote. Hughes had declared war in the 1940s campaign. "Since I am willing to go beyond all limitations on this, I think we should be able to select a candidate and a party who knows the facts of political life. If



Nixon, \$100,000 in cash from Hughes finally made its way to Rebuco's safe-deposit box

we select Nixon, he I know for sure knows the facts of life."

There was a special relationship. It stretched back more than two decades, had survived multiple crises, and still endured. Hughes had supported Nixon in every bid for office since his first congressional race in 1946 and would continue to back him to the end. In addition to campaign funds, he provided large sums for the personal use of the President and his family. The known bequests—the few made openly and the hidden payoffs later discovered—eventually totaled more than half a million dollars. More than a financial angel,

"Mr. Dietrich," he reportedly said, "I have put up my relatives ahead of my career." Donald's fast-food enterprise soon collapsed despite the easy credit, and Hughes never did get back his money. Still, he apparently came out well ahead. Less than three months after he so generously added the needy Nixon, the tip-off officially recognized his philanthropic status. It declared the Howard Hughes Medical Institute a tax-exempt charity.

The "Hughes loan scandal" hit the headlines in the final weeks of the closely contested 1960 election. Nixon was

Hughes was a virtual fixer gofather in Nixon's father-in-law to power in 1956, when Dwight Eisenhower was ready to find a new running mate. Hughes ordered a covert operation to crash the "Dump Nixon" movement, sending Mahon to infiltrate the energy camp and convert a spurious pro-Nixon pact.

Yet the infamous large-scale may have cost Nixon his first bid for the presidency when a scandal erupted in the closing days of the 1960 campaign over a never-repaid \$250,000 Hughes "loan." Nixon had personally requested the money four years earlier, shortly after he was re-elected vice-president, ostensibly to help out his brother Donald's failing business—a chain of restaurants featuring "The Bookman." The cash came from Hughes's Canadian operations and was transferred through a cutout to the vice-president's aged mother, Hannah, who passed it on to her bankrupt son. The money Hughes had given him was the least agreement, and none of the Nixon was responsible for repayment. Their only children was a vacant lot in Whittier, Calif., once the site of the Nixon family home. It had an assumed value of \$14,800.

Hughes was pleased to play the friendly pawnbroker. "I want the Nixons to have the money," he told his reluctant business manager, Rush Dietrich. "Let 'em have it." Nonetheless uneasy about the secret deal, Dietrich flew to Washington in a futile attempt to dissuade the vice-president. "About the loan to Donald," he cautioned Nixon, "Hughes has authorized it, and Donald can have it, but if this becomes public it could mean the end of your political career." Nixon, anxious, responded still reluctantly.

"I don't know how much of this is true," he reportedly said. "I have put up my relatives ahead of my career." Donald's fast-food enterprise soon collapsed despite the easy credit, and Hughes never did get back his money. Still, he apparently came out well ahead. Less than three months after he so generously added the needy Nixon, the tip-off officially recognized his philanthropic status. It declared the Howard Hughes Medical Institute a tax-exempt charity.

acerta it cost him the presidency. Hughes had become a haunting symbol of Nixon's greed and corruption, apparently driving him out of politics forever. In 1968, however, Nixon was staging a startling comeback. And both he and Hughes were ready to deal again. "I want you to go see Nixon on my special confidential errand," Hughes instructed Mahon. "I feel there is a really valid possibility of a Republican victory this year. If that could be realized under our sponsorship and supervision every inch of the way then we would be ready to follow with Laddish as our next candidate."

Nixon was also eager to renew their ill-fated relationship. Of course, Nixon could not reach Hughes directly. Nobody would. In fact, despite their long relationship, the two men had never actually met. Their dealings had always been through intermediaries, and this time Nixon wanted as much insulation as possible.

That spring, Nixon huddled with his closest friend, Bobson, and the man who had introduced them to each other 30 years earlier, Richard Danneberg. Nixon and Bobson ran through an apparently well-rehearsed script, designed to maneuver Danneberg into handling the dangerous contact with Hughes. Nixon personally asked Danneberg to find out if the Hughes money was available. Hughes had approved a \$200,000 contribution—\$50,000 for the campaign, \$50,000 for the candidate. Mahon secured the cash. Bobson was ready to take delivery.

But what followed was a clash of fear and greed. A comic opera of missed connections, with confused intermediaries searching over each other while the two prime movers remained offstage, Mahon was now left with a bundle of cash, but no one to pass it on to. He decided to cut through all the confusion and deliver the money himself, directly to Richard Nixon. He had already made a formal contribution to Nixon's campaign, \$50,000 in checks passed openly through Nevada Governor Paul Laddish. Now, with the election over, Nixon victorious and the promised secret cash still undelivered, Mahon was more ready to Laddish. Early in December they met together in a private Hughes jet in Palm Springs, where Nixon was due to attend a Republican governors' conference. Laddish, however, failed to arrange a meeting. Nixon, apparently still nervous about accepting Hughes's money, at least about accepting it personally, sent word that his schedule prohibited a meeting with Mahon.

One week later, Mahon was down in the Bahamas, establishing a representative of the incoming administration, and there are indications that he at least tried to pass the money again. A cashier at the Sands casino noted on a \$50,000 withdrawal slip dated Dec. 2, 1969: "The money was given to Bob Mahon. It was told he was to give this to President Nixon on Mahon's trip to the Bahamas."

So much money was gathered from so many sources—\$50,000 from a personal bank account early in September, another \$50,000 from the account "for Nixon's deficit"—in December, the disputed \$50,000 from the Sands a

few days later, yet another \$50,000 from Hughes's account in June, 1969, and \$50,000 more from the author's sale at the Silver Slipper in October, 1970—that it is impossible to determine how much money actually reached Nixon. But it is certain that \$200,000 in secret cash, two bundles of \$100 bills from Howard Hughes—still uncollected by the November election, still underwritten by the January inauguration—finally found its way to Rebozo's safe-deposit box.

In March, 1969, however, less than two months after the inauguration, Hughes expressed his pained disappointment in the new President. "The news just reported that Nixon will go ahead with the 'arm' he wrote Mahon, full of dismay. This, then is an awful mistake."

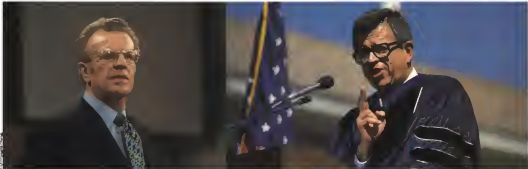
Building the arm meant big money for Hughes's defense

terified him. He simply could not deal with an outsider, not even Kissinger, not even by telephone. "He the arm," he seemed to Mahon. "I urge you thank the President profusely for his offer to send Kissinger, but tell him I do not consider that this is necessary and I do not think it would advance the situation. But, to have this man here could only embarrass me. Please, regardless of how you do it, kill off this trip in some way."

By August, 1969, Nixon was not only trying to figure out why Hughes was so opposed to the entire venture—very much a mystery to the President, because he couldn't see the profit in it—but he was also clearly seeking some solid facts about Hughes himself and the true nature of his shadowy empire. Nixon was determined to get the inside story on the Vegas release. He plotted a daring and devious maneuver.

Rebozo opened the savings, shook out the bundles of cash, and counted them. He marked "H.H." on the corner of the envelope, then took the money into another room. When he returned, the three men went out to dinner.

Whether Hughes knew that his money had gone to Rebozo, whether he was hoping that it would buy him a nuclear accord with Nixon and approved the delivery despite his anger, is unclear. The billiardaire continued to plot the antiatomic campaign on his bedside legal pad in Las Vegas, and Rebozo stashed the Hughes money in a safe-deposit box at the bank he owned in Key Biscayne, where it came to haunt Richard Nixon. It was the terrible reality secret whose feared discovery would drive him to self-destruction—the tell-tale heart of Watergate.



O'Brien and Wright, after the break-in, the President made frantic phone calls

contractor, but it also meant more big bank loans in Nevada, the nuclear nightmare Hughes thought had ended with the election of a man who "knew the facts of life." Hughes went along a 12-page meticulously drafted and closely reasoned appeal to Nixon that he drop his support of the arm. The President passed the memo to [National Security Advisor] Henry Kissinger. On July 16, 1969, Nixon handled with his national security adviser. That morning in the Oval Office, the president told Kissinger to go see Hughes.

Kissinger returned to his White House basement office angry and incredulous. He told his deputy, Alexander Haig, that Nixon had just ordered him to give the billiardaire a private in-person briefing, not only on the arm but also on the general strategic theme, on the balance of nuclear power—and as a final outrage, in which Hughes's own views on defense policy. "They don't get particularly impressed with the thought of it," Haig later recalled. "He wasn't there cynical about it, somewhat skeptical, wondered whether this sort of activity was the right thing to do." Others who overheard Kissinger's drudge are so questioned both the President's motives and his mental health. "He's out of his mind," jeered Kissinger. "He can't and I can't find private peace talks with Howard Hughes."

Hughes, in turn, was upset. The prospect of Kissinger's visit

He invited Hughes to a state dinner in honor of the first astronauts who walked on the moon—kissinger full well that the billiardaire had not appeared in public for more than a decade—and used that invitation as a pretext to run a routine "name check" on his hidden backchannel through the Federal Bureau of Investigation (FBI).

J. Edgar Hoover personally reported back to the President on Aug. 13, the day of the big dinner. His report was truly astounding. Howard Hughes, said the FBI director, was "a ruthless, unscrupulous individual who at times acted like a 'werewolf parasite' to the extent that he, Hughes, might be capable of anything, including murder." Hoover's warning must have come as a shock to Nixon but that was nothing compared to the shock about to hit Hughes (On Sept. 30, 1969, Mahon called Hughes from Vancouver with disturbing news the FBI was about to assassinate a new Nevada bill, and an especially big one.

"I wish you would tell Mr. Nixon that Mr. Rebozo that this is the most outrageous and shocking breach of faith and attempted deception I ever heard of any highly reputed government like the United States attempting to perpetrate against one of their own citizens," Hughes wrote, furious now that the full extent of Nixon's betrayal had hit him. Mahon absorbed the shock, then went directly with Danneberg to see Rebozo. Danneberg handed Rebozo a manila envelope, saying, "Here's the \$50,000, first installment."

The Watergate secret

Part 5 describes how Richard Nixon, fearful that Larry O'Brien knew about illegal contributions made to his campaign by Hughes, pressured his staff into finding out more about the Democratic National Committee chairman. The result: Watergate.

It was on Jan. 14, 1971, Richard Nixon had just emerged from a 10-day retreat at San Clemente, plotting his reelection campaign and brooding with his friend Bibb Rebozo. "It would seem that the time is approaching when Larry O'Brien is held accountable for his relationship with Hughes," declared Nixon, going on the attack, dictating a message to his chief of staff, Robert Haldeman. "Bibb has some information on this, although it is, of course, not solid. But there is no question that one of Hughes's people told him O'Brien is a very heavy fundraiser for 'revenue' received in the past. Perhaps [Charles] Colson should check on this."

It was not the money O'Brien got from Hughes that really

owned Nixon. It was his own Hughes money, hidden away in Bibb Rebozo's safe-deposit box. Throughout his presidency Nixon had heard that tell-tale noise沸沸, had grown increasingly fearful that others could also hear it, that soon they would discover the \$100,000 payoff Richard Danner had delivered to Rebozo, that again he would be ruled by an evil Hughes son-of-a-bitch, that it would cost him the White House at his own expense.

Nixon never got over that 1962 defeat. His narrow loss to J.F.K. still haunted him, and he still blamed that loss on the Hughes "leak" scandal—the never-repudiated \$100,000 he brother had received from the White House. Yet Nixon had taken over Hughes money. And now, with the Hughes empire split by a bitter power struggle with the defiance of chief Hughes aide Robert Maho, Nixon was certain his terrible guilty secret was about to come spilling out. That very morning, before leaving the western White House, the President had seen a *Los Angeles Times* report that Nixon had paid \$100,000 to his former boss for a \$60-million lawsuit. Even if the nation himself failed to suspect, secret Hughes money impounded by the Nevada courts were likely to surface. Indeed, the dazedly ridiculed Washington Post columnist Jack Anderson already claimed to have seen some.

The news Nixon brooded, the more terrified he grew, and the more he fantasized about the money getting away from him. The hated leader of the Kennedy gang, the man who had beaten him in 1960 by exposing the Hughes loan scandal, was himself getting \$15,000 a month from the billionaire while he served as unpaid chairman of the Democratic National Committee. He wanted to unmask O'Brien as a secret Hughes lobbyist because the President thought that O'Brien had stolen three hours of Nixon's hidden quarters all about the secret Hughes cash in Bibb's little box. Nixon could not tell that to Haldeman. None of the President's men knew about the money. Only Rebozo shared that secret. So, instead, Nixon ordered Haldeman to get O'Brien.

"We're going to nail O'Brien on this, one way or the other," the President told him back in Washington the next day. He called Haldeman into his study, "O'Brien's not going to get away with it, Bob. We're going to get proof of his relationship with Hughes—and just what he's doing for the money." It was the beginning of a desperate covert campaign. One that would end with Nixon's burglars caught looking for Hughes's secrets inside O'Brien's office—at the Watergate.

Colson was excited. Nixon's ally/bully had just gathered some incredible news. Larry O'Brien was out. Howard Hughes had a new man in Washington, Robert Foster Bennett. He was a solid Republican and, best of all, Bob Bennett and Chuck Colson were old buddies. "I'm sure I need not explain the political implications of having Hughes's affairs handled here in Washington by a close friend," Howard Colson, spread the good word through the White House. "This move could signal quite a shift in terms of the policies and money that Hughes represents." Like the rest of Nixon's gang, Colson was unaware that the President already had a private pipeline to the billionaire, that he wasn't looking for a new way to get Hughes's money but for some way to hide the cash already in hand.

The President, though, himself trusted no one. His center changed nothing. Nixon still wanted his old Haldeman but not assigned that mission to his rival Colson, as Nixon had suggested. Instead he had given the O'Brien assignment to a new recruit, an ambitious young White House counsel, John Dean. But Dean was getting nowhere. He called Bibb Rebozo, but Rebozo only repeated what he had already told Nixon. Nothing really said. And the President's pal added a disturbing note. "He [Rebozo] requested that if any action is taken with regard to Hughes that he be notified

because of his familiarity with the delivery of the relationship as a result of his own dealings with the Hughes people."

Puzzled and a bit nervous, Dean turned to a White House investigator, Jack Casfield. The street-wise ex-politician didn't trouble himself for dirt on O'Brien, he was coming up instead with dirt on Nixon. He tried to win Dean of the case. "The revelation that an O'Brien-Mahow [sic] relationship exists poses significant threats to any attempt to make O'Brien accountable to the Hughes rebozo," cautioned Casfield. "Mahow's controversial activities and contacts in both Democratic and Republican circles suggests the possibility that forced embarrassment of O'Brien in this matter might well shake loose Republican defections from the administration, personally, to both parties over the last 16 years. Former FBI agent Dick Tanner had been an aide to Mahow. Tanner professes a friendship with Bibb Rebozo."

"As one gets closer to Mahow's dealings, it becomes evident that his contacts include many extremely sensitive areas of government, much of which is fraught with potential for Jack Anderson-type exposure. There is a serious risk here for a counter-scandal if we move precipitously."

A If the President's men were now uneasy about the Hughes probe but the President himself only pushed harder. All his worst fears about O'Brien had been confirmed. If O'Brien indeed knew about the Hughes-Nixon dealings, then he certainly had to be neutralized.

Jack Anderson's column appeared on Aug. 6, 1971: "Howard Hughes directed his former factotum, Robert Maho, to help Richard Nixon with the presidency under our sponsorship and supervision," Anderson reported. "Maho allegedly repaid of \$100,000 from the Silver Slipper, a Hughes gambling enterprise, for Nixon's campaign. The money was delivered by Richard Danner, a Hughes case, to Bibb Rebozo, a Nixon confidant." Nixon's worst nightmare had come true. The Hughes payoff was out in the open.

Rebozo immediately called Danner, angrily demanding to know how Anderson found out. Danner's answer was the last blow. Anderson had called him for comment, and said, "Don't say it, because I have seen the money described in detail." Maho had showed it to him. Anderson had documentary evidence. There was no way out. Still, he had called the payoff a "campaign contribution." Obviously a trick. Nixon waited in horror for the full story to explode. And nothing happened. Nothing that day, nothing that week, nothing that entire month. The story was simply ignored.

But it was not Rebozo, not Anderson, not Maho who triggered the final series of events that led to Nixon's downfall. It was Clifford Irving. Off in Tulsa, the ex-patriate novelist had been following the lurid story of the struggle for control of the secret Hughes empire. He decided that the billionaire was either dead or disabled—certainly in no shape to make a public appearance—and that given his own idea. He would concoct his own epic and present it to the world as the autobiography of Howard Hughes.

The coup was announced on Dec. 7, 1971, by McGraw-Hill. It became an immediate worldwide sensation. The Hughes organization branched in a haze, but with the billionaire himself missing and silent, that only added to the hoopla. And nowhere did the book arouse more intense interest than at the White House. Haldeman told Colson and Dean to find out what was in the manuscript. Haldeman started getting FBI reports on the Irving affair directly from J. Edgar Hoover, and finally the White House managed to obtain a copy of the still-secret manuscript from a source at McGraw-Hill.

It came as quite a shock. Irving claimed that Hughes had passed \$400,000 to Nixon when the latter was vice-president

in return for fixing the 700 case. It was an inspired guess, the \$400,000 figure probably not far off the mark. (Counting the \$105,000 "loaned" to Donald, the cost of Maho's covert action to crash the "Dump Nixon" movement in 1964, and unreported campaign contributions, including the "all-out support" Hughes secretly gave Nixon in 1960, Nixon's claim of \$400,000 was probably just about right. And nobody knew about most of that money. Except Hughes.) To Nixon it must have looked as if Irving had the real story.

On Friday, Jan. 7, 1972, Howard Hughes would break more than 15 years of public silence and speak to the world. It was 6:45 p.m. when the release finally reached for his telephone

and prepared to meet the press. A month had passed since Irving made him the chosen center of global attention, and now the mystery man himself was about to speak. Three thousand miles away, at the other end of the line, seven carefully selected reporters waited expectantly in a Hollywood hotel. The dazed, hooded news cameras were ready. "I don't know him. I never saw him. I never even heard of him until a matter of a few days ago when this thing first came to my attention."

All the while his paranoia over Hughes mounted, the President had been passing his men to set up a covert intelligence operation for his 1972 re-election campaign.

Nixon already had a secret police force operating out of the White House basement, but that gang, the Plumbers, handled "national security leaks." What the President now wanted was team to dig up on the Democrats. The failure of his staff to nail Larry O'Brien showed the need for some real professionals.

To lead the new group, Nixon's campaign manager, Alexander Gordon, called John Mitchell, chose a former FBI agent, G. Gordon Liddy. A gas fanatic who liked to watch old Nixon propaganda films, Liddy had already made his bones as a Plumber, slugging a beatnik in the Nixon campaign headquarters of Daniel Slabberg, who had leaked the Pentagon papers. Liddy reported for work at the Committee for the Re-election of the President on Dec. 8, 1971, the day after Irving's book was first announced. And now, as Liddy prepared his espionage plan, the fallout from the Irving affair brought Nixon's paranoia to full boil.

More and more the pressure focused on Larry O'Brien. Late in February, Jack Anderson revealed that Nixon had killed an anti-trust suit against International Telephone and Telegraph (ITT) in return for a donation of \$400,000 to the Republican convention. It was O'Brien who first made the accusation months earlier, and Nixon believed that he was somehow behind the Anderson exposé. If the two of them could make this month work out over ITT, imagine what they could do with the Hughes \$100,000.

They after day O'Brien kept the ITT scandal in the headlines, and an enraged Nixon turned to Chuck Colson, "One day we will get them," he

Haldeman and wife, Jo, Nixon told him that he would "nail O'Brien, one way or the other."





Hughes in the 'Space Goose' and (below) on The Outlaw sat

would say, "We'll get them on the ground where we want them. And we'll stick our heels in, step on them hard and twist—right, Chuck, right?" And Colson would reply, "Yes, sir, we'll get them." A few weeks later, on March 30, John Mitchell approved Liddy's espionage plan. And he also approved the first target—O'Brien's office at the Watergate.

The first break-in was a great success. On Memorial Day weekend a team led by Liddy and E. Howard Hunt entered Democratic National Committee headquarters, tapped O'Brien's telephone, photographed papers from his desk and made a clean getaway. But the O'Brien bug never worked, and Mitchell ordered Liddy back in. None of the burglars was ever told the true purpose of the break-in—no one ever told them about the Hughes connection—but this time John Magruder did tell Liddy to photograph O'Brien's "shit list" on Nixon, to find out what dirt he had on the President.

At 2:36 Saturday morning, June 17, 1972, the police rushed in and broke up the second attempt at a third-rate burglary.

On hearing of the break-in Nixon made a frantic session of phone calls to Colson, at one point so agitated that he threw an ashtray across the room. On his first day back in Washington, Nixon finally revealed his terror to Haldeman as well. The tape of their June 30 Oval Office conversation was later erased, creating the famous 18½-minute gap. But according to Haldeman, it was in this talk that Nixon himself revealed the Hughes connection to Watergate. The following account of their meeting is Haldeman's reconstruction.

"On that first break-in, have you heard that anyone in the White House is involved?" Nixon asked his chief of staff.

"No one," replied Haldeman.

"Well, I'm worried about Colson," confessed Nixon. "Colson can talk about the President, if he cracks. You know I was on Colson's tail for months to tell Larry O'Brien on the Hughes deal. Colson told me he was going to get the information I wanted one way or the other. And that was O'Brien's office they were bugging, wasn't it?"

The President was scared. "I hate things like this. We're not in control. Well, we'll just have to hang tough." ♦



Peters (above left), Gloria Rogers; and (below) John F. Kennedy is the last years he was surrounded by male fans/misfits



India's web of espionage



Gandhi, a political fast, a nationwide hunt for missing government bureaucrats

The dossier covered everything from cabinet decisions to blueprints of India's most sensitive military secrets. The cost of characters ranged from junior filing clerks to the upper echelons of the New Delhi civil service—and may have included spies from half a dozen foreign nations. In fact, as Indian security agents last week interrogated hundreds of suspects and mounted a nationwide search for missing government bureaucrats, it was clear that the spreading spy scandal had dealt nearly elected Prime Minister Rajiv Gandhi his first major political crisis.

Already, the investigation has resulted in roughly 15 arrests, at least 12 of them involving officials assigned to the prime minister's secretariat, the president's office and the defense ministry. The entire personal staff of Dr. P.V. Alexander, Gandhi's principal secretary and one of the closest advisors to the late prime minister, Indira Gandhi, has been indicted, forcing Alexander himself to resign. With 1,500 civil servants under interrogation and dozens more under

surveillance as unshakable as of past, last week permeated the vast Indian bureaucracy. The government has declared a news blackout on the investigation, but major newspapers in New Delhi claim that Gandhi has ordered a wholesale purge of the civil service and security review. What remains unclear is whether the Indian espionage network was organized and centered by one or more foreign governments. The only firmly established foreign espionage reaches in Le-Cul Alain Boley, the former deputy military attaché at the French Embassy in New Delhi. Boley, reportedly recalled to France shortly after the scandal was exposed, allegedly purchased military secrets from Indian defense ministry officials. Two other French businessmen, apparently left the country after receiving warnings of imminent arrest.

But other intelligence agencies, including the U.S. CIA, the Soviet KGB and the West German and may also have been involved. Teams of Indian intelligence are also carrying their investigation to Paris and London. Gandhi himself refused opposition demands for

information on foreign links, insisting that further disclosures would "harm the investigation." But one American diplomat said last week: "It wasn't our spy ring. It wasn't even the French's spy ring. There were far too many people involved in it for that. It was the Indians themselves who ran it."

The operation was both extensive and efficient. Among the secrets apparently sold—often for as little as an expensive meal or a bottle of choice whisky—were details of India's defense agreements with the Soviet Union, spy satellites, arms production and the names of Indian intelligence operatives abroad. Bolds conducted on the basis of arrested suspects turned up copies of dozens of confidential documents, including foreign office cables and policy papers on neighboring Pakistan and nearby Sri Lanka. A file on Pakistan's nuclear plans and capability also apparently disappeared from Gandhi's home. Indeed, penetration of India's vital power centres was so complete that scarcely a single state secret had not been compromised. Declared Interior Minister S.B. Chavan: "Considering the wide-ranging nature of the espionage activity, no effort will be spared in trying to track all those even remotely involved."

While some senior politicians remain under suspicion, underpaid junior bureaucrats appeared to be the most susceptible targets of foreign spies. In India's no government jobs, and financial firms bidding for lucrative Indian government contracts have actively courted the underlings. Boley appears to have been recruited by an Indian liaison officer for a Bombay-based firm that represented several foreign clients. The businessman, Cosme Narain, was also arrested.

Gandhi's administration, more into office Dec. 31 after its landslide election victory, may have been aware of the spy ring for several weeks before the arrests took place. Boley himself was apparently under police surveillance for two months. Many observers say that the prime minister decided to contain the scandal until the election was over. Now, as the spy network unravels and the revelations begin, the youthful Gandhi must rely on his huge electoral majority to carry him through the crisis. Before his election Indian political analysts noted that Gandhi had never faced a major political test. Last week that test had clearly arrived.

—JOY BULL in New Delhi.



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Famine's spreading shadow

The desperation of hunger drove thousands on a trek through the Ethiopian highlands and across the Blue Nile. Replenished and exhausted, ragged refugees from famine-plagued Ethiopia continued to stream across the border into neighboring Sudan last week at a rate of 5,000 a day. At the same time, the influx of the starving people imposed an almost intolerable strain on

Sudanese and Western relief camps. At the recent rate, relief officials estimated that Sudan will have more than one million refugees by May. The scale of the exodus has refocused international attention on the inadequacy of existing emergency aid. The mass migration continues daily arrivals of tons of food, medicine and supplies. Death's most common victims are the poorest, malnourished children.

down, their debilitated bodies unable to withstand even mild diseases.

Meanwhile, world attention is beginning to shift to other nations in sub-Saharan Africa. Relief officials claim that millions of residents of countries situated in a 5,000-km-wide sand-and-silt zone known as the Sahel confront the same terrible fate as the Ethiopians. Declared an official of the United Nations High Commissioner for Refugees, (UNHCR) in a recent report: "The situation now is a great human catastrophe, and we are only at the beginning of the crisis."

For the Sudan, the scale of the impending disaster is stressing its capacity to cope with famine among its own people. Although the government has maintained an open-border policy for drought victims from other nations, it faces the threat of a starvation crisis among Sudanese. In the past year more than 3.8 million Sudanese peasants from the northern provinces of Darfur and Kordofan have left their parched homelands for the banks of the shriveling Nile River. A mass refugee camp has spread within sight of the capital, Khartoum. Relief officials said recently that as many as four million are threatened by starvation. The nation has reaped only half an normal harvest of sorghum, a crude grain that forms a staple in the local diet. Government officials predict that Sudan will need one million tons of grain this year. Said Sudanese Health Minister Abdel Salas Saleh last week: "The problem could become as serious as that in Ethiopia in four or five months."

Some of the officials directly involved in international emergency aid programs are selling to the predators. Sudanese businessmen reported last week that predators have acquired feedstuffs and blankets destined for relief camps and intend to resell them on the open market. The Khartoum government itself has been blamed by relief agencies for tragically poor co-ordination. One Western official characterized Sudanese authorities recently as "bewildered and frightened."

Meanwhile, Eritrean rebels fighting for a separate state in northern Ethiopia claimed that the Marxist government in Addis Ababa had purposely withheld urgently needed supplies to punish peasants suspected of harboring sympathies for the guerrillas. By denying food aid, the government officials recently forced civilians to flee and robbed the rebels of the local support systems. Aid officials in the Sahel said that much of the foreign supplies are reaching the needy. But they added that the majority of the emergency aid will provide the ultimate test of the West's compassion and co-operation.

—JARED MITCHELL

A deadly style in diplomacy

On the morning of Oct. 15 the wife of separate Taiwanese writer Henry Liu found her husband lying dead in the passage of his home in Daly City, Calif. He had been shot in execution style once between the eyes and twice in the chest. Liu's wife, Helen, suspected at once who the killers were. Only a few weeks earlier Liu, 50, a naturalized American citizen and a stern critic of Taiwan's Nationalist Chinese government, had published a damning 374-page biography of ruling President Chiang Ching-kuo. His warnings, she declared, had been agents of the government in Taipei.

Her instinct proved correct. In a case that has seriously strained relations with Washington, Taiwanese officials recently ordered the arrest of three senior security officers on accusations in the murder and food the head of Taiwan's intelligence community. Three weeks later Taiwan allowed U.S. law enforcement agents to interrogate two high-ranking members of the Taiwanese underworld who have reportedly confessed to the crime. The alleged assassin was Chen Chieh, alias Ben Duck, the leader of Taiwan's Bamboo Union gang. Chen



Liu, a writer able, assassinations arranged

accepted the assignment in an attempt to avert a government crackdown on dissident critics. To protect himself, the gangster secretly made a confidential tape implicating Taiwanese officials. A copy of that tape apparently reached Washington investigators. At the same time, U.S. intelligence may have intercepted a call to Taiwan shortly after the murder in which a voice, speaking Mandarin, declared, cryptically, "Transaction completed."

River Washington recognized mainland China in 1970, Taiwan has not had formal diplomatic relations with the United States. Still, Chiang himself has ordered a special panel to investigate his government's connections to the slaying. Much is at risk for the government. New York Congressman Stephen Solarz has warned that U.S. arms sales to Taiwan—estimated 1985 value \$900 million—might be jeopardized if Taipei is found guilty of harboring U.S. enemies. Last week Helen Liu demanded that Washington seek the extradition of Chen and his accomplices. But there is no indication of whether the United States or the United Nations. And to both agencies the officials appear determined to prevent the Liu affair from complicating the sensitive—and lucrative—trade in arms.

—KATHERINE KELLEN in San Francisco

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Reagan's sunny words



Reagan: warm and polished

The planners had spent months rehearsing for the parade—the patriotic pageant that follows the traditional open-air presidential inauguration every four years in Washington. But although it was organized for old-timer Ronald Reagan, the 818-million show did not go on. Biting -15°C weather forced cancellation of last week's ceremony for the first time since 1966. But the weather was the only downbeat note in an otherwise

vibrant day. On a quickly erected dais amid the marble grandeur—and warmth—of the U.S. Capitol's Rotunda, Reagan took the 38-year-old office. As rays of sunlight cleaved through the frosted upper windows, the President offered an equally sunny forecast in his inaugural address, describing the United States as "joined for greatness."

A blind-side attack

The criticism aimed at Prime Minister Mario Soares came from an unusual source—the office of the president. Following a year of unpopular economic austerity measures, Portuguese President António Ramalho Eanes launched a blistering attack on members of his own administration in a New Year's address. Eanes declared that the nation's economic problems had given him "few messages of hope to deliver." In response, an irate cabinet minister said angrily that the president was "behaving as much like the head of the opposition and not like the head of state." The charge may not have been far off the mark. Under Portugal's constitution, the popularly elected president serves as a figurehead akin to Canada's governor general while the prime minister runs the government. But Eanes, by breaking out of his ceremonial straitjacket to smelt Soares's left-right-leaning economic measures, reinforced signs that the president has political ambitions. His second term as president—and last by law—expires this year. Already, Eanes's supporters have laid foundations for a new political party, secretly called the "Eanistas," and they plan a national convention later this month. They also intend to field candidates in next November's presidential election. Eanes, 60, one of the fathers of modern Portuguese democracy, would act as *primus inter pares*. The Socialist Soares, 60, apparently has his own plans—to run for a post that would cap his long political career: the presidency.

Trouble in ANZUS

At the height of the Korean War in 1951, Australia, New Zealand and the United States formed the ANZUS defense alliance to safeguard Pacific security. Last July, on the eve of his election as prime minister, New Zealand's David Lange vowed to maintain his country's commitment to the treaty. But since then the Labor Party leader has refused to permit visits to New Zealand ports by U.S. nuclear-armed or nuclear-powered ships and submarines. In December the Pentagon made a "redline blanket request" for port visits during 1983. In response, Wellington asked for a specific request.

Washington promptly complied, seeking permission to send a single ship, presumably nuclear equipped, to take part in a joint anti-submarine exercise—code-named Sea Eagle—in March. Asked U.S. Secretary of State George Shultz, "What kind of alliance is it if the military forces are not able to be in contact with one another?" Both Washington and Canberra have exerted diplomatic pressure, and New Zealand's press has criticized the ban. But the final verdict will be Lange's. If he agrees to accept the U.S. vessel he will invite a domestic political backlash. If he refuses, he may jeopardize New Zealand's membership in ANZUS.

Ganging up in Europe

The plot failed—but it sent shock waves of alarm through West German society. Two suspected members of the nation's left-wing guerrilla underground pushed a baby carriage laden with explosives toward Stuttgart's airport on Jan. 30, the bombs detonated prematurely, killing one conspirator and seriously wounding the other. The Stuttgart incident was one in a series of recent attacks—40 since mid-December—aimed at NATO and Western government installations. And it prompted security officials to declare that a resurgence of urban terrorism may be imminent. The likely motive, support for an eight-week hunger strike being staged by imprisoned members of the notorious Red Army Faction (RAF), who are demanding better living conditions and prisoner-of-war status. The wave of bombings has ended a three-year gap in West German guerrilla terror led by the Redler-Weisshof gang, now known as the Red Army Faction (RAF). Experts contend that fewer than 50 members of the gang are still at large. But the RAF, they believe, is linked to similar terrorist groups operating in Belgium (Fighting Communist Cells) and France (Direct Action). Indeed, Direct Action claimed responsibility for the death of a French defense ministry official, who was hit by eight bullets as he got out of his car near Paris last Friday. A death among the larger strikers, the experts say, could trigger a new spell of violence.

The Aquino aftermath



Ver: cancelled engagement

The members of the Manila, elite organization had been anticipating the speech for days. But last week, shortly before he was scheduled to address them, Gen. Fabian Ver, chief of the Philippines' armed forces, abruptly cancelled his engagement. The reason was clear a few hours later, the nation's ombudsman announced that Ver and eight others had been charged as accessories to the murder of Filipino opposition politician Benigno Aquino in August, 1983. A close associate of President Ferdinand Marcos, Ver was charged after a special judicial inquiry refuted government claims that Aquino had been killed by a Communist agent and instead flogged 17 other members of the Filipino Bureau of Police. Ver, 65, reacted to the charges laconically. Said the general: "I was prepared for this."

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AIR CANADA

The lure of early retirement

By Ann Finlayson

For 54-year-old Jean Wright the prospect of a financially secure, leisure-filled early retirement was too enticing to ignore. As a result, after 25 years of service Wright retired early from her job as a personnel manager with Bell Canada International in Ottawa last April. "Normally, you cannot retire until 55," said Wright. "I was 53 but it felt right." Under Bell's Early Retirement Incentive Plan she retired with a monthly pension cheque 20 per cent higher than she would normally have received and a guarantee that all company benefits would remain in force. "I am having a ball," said Wright.



Civil servant Sherrin: An infrared painter made an early departure an easy choice

Wright, and thousands of other Canadians, have taken advantage of the generous offer of financially alluring early retirement programs—a trend that began during the 1981-82 recession and is expected to gain renewed strength this year. For their part, employers—many of whom have not fully recovered from the recession—have devised strategies that encourage their older and usually their most highly paid employees to retire from their jobs before their much-reduced salaries as a way of reducing operating costs. And many Canadians are eagerly adopting the plans, despite some fears that they may not be able to adjust to the sudden reactivity of retirement or that inflation may erode their pension income. Said Barry Adamson, a consultant with Toronto-based Aonick, Murray and Associates: "As a result of economic reality, voluntary retirement will continue to be an important approach for management to control the size of the workforce."

The decision is usually passed by early retirees as a relief as their work backgrounds. Some obtain pilot's licenses, others take up weaving. As well, some retirees in their mid-50s take up new careers or become involved in har-

mon consulting work for their former employers. And most of them say that retiring early was the right choice to make. In this trend, a small company in northern Nova Scotia, Louis Barry, 56, a former school teacher, is enjoying a relaxed life that began when he took early retirement last June after more than 37 years in the classroom. Said Barry, who is also active in community work: "I wanted to retire while I am still young enough to enjoy life." And in Saskatoon, former civil servant Keith Sherrin, 56, retired from the federal department of communications last year after 30 years as an employee. Now active in volunteer activities, Sherrin took advantage of the fact that federal pensions are indexed to inflation. As a result, he and his wife, Betty, are financially secure. Said Sherrin: "We are happy."

For employers, the major benefits of early retirement plans show up in balance sheets. The programs enable them to effect major cost savings and they provide an appealing alternative to outright firing—which can lead to costly wrongful dismissal suits (which have

increased seven-fold in the past decade). Among the corporate leaders in the field, Vancouver-based forest products giant MacMillan Bloedel Ltd., with 12,000 employees, Metropoulos Ltd., Insurance Co. of Ontario with 2,000, Ontario-based General Motors of Canada Ltd. with 45,000 workers, and Imperial Oil Ltd. of Toronto with a staff of 6,700. They have introduced plans that allow them to save as much as 30 per cent of the cost of carrying their older employees through to age 65. Last year, 68 per cent of Imperial's 226 retirees chose early retirement, and their average retirement age was 58.

In order to make early retirement plans attractive companies have to offer a wide variety of inducements. Most of the programs give older employees partial compensation for the loss of that portion of the pension that they would have received if they had worked until they were 65. Some firms also provide a lifetime cash settlement that can be converted, along with the pension, into tax-sheltered Registered Retirement Savings Plans (RRSPs) and they allow retirees to remain

in company insurance and medical plans. Still, early retirement entails major risks for workers. A common concern is that boredom—and mental and physical stagnation—will set in. An recent retiree, Sherrin put it: "I was concerned about not staying mentally active—that I could get under my wife's feet." To avoid that situation Sherrin works a part-time flying instructor, does general research for himself and his friends and is the assistant manager of

company insurance and medical plans. Still, early retirement entails major risks for workers. A common concern is that boredom—and mental and physical stagnation—will set in. An recent retiree, Sherrin put it: "I was concerned about not staying mentally active—that I could get under my wife's feet." To avoid that situation Sherrin works a part-time flying instructor, does general research for himself and his friends and is the assistant manager of

cinia. "Fortunately," Braden said, "As Canada agreed to increase the pension somewhat, and I had some money set aside. Otherwise, I would have had no alternative but to find another job." Analysis says that employees, too, take risks with early retirement plans. The programs can undermine employee morale and even threaten a firm's long-term managerial performance. According to Nicholas Newman, a consultant with Toronto consulting firm William

At the same time, workers' planners and politicians have expressed concern that early retirement could soon become an option available universally to the rich. For low-paid employees without the resources to attain retirement savings, it is already difficult to live on a company pension, even when inflation is low. And if a worker has not stayed in one job long enough to accumulate a sizable company pension, it is a virtual impossibility. Women are especially vulnerable. Many female employees lack adequate pensions, either because they are in low-paying jobs or because they departed or interrupted their working lives to raise their families.

The gap between the relative security of managerial employees who can take an early "golden handshake" and the economic hardship of older workers who lose their jobs through layoffs has also angered some political leaders. Last May, after Sen. Louis Laid off 415 workers with an average age of 50, at its Port Colborne plant, Ontario's new Premier Robert Rae demanded legislation that would guarantee the full pensions for laid-off workers over the age of 55.



Wright (above), Adamson: A popular option, despite fears of inflation-eroded savings

For their part, many demographers say that the postwar Baby Boom generation reaches retirement age, the country will have too few workers to meet the country's economic needs and the heavy costs of social services. Most Canadians, argues Toronto-based demographer John Kettle, author of *The 21st Generation*, will have to work well past the age of 55 simply to stay financially afloat.

But with many corporations and governments facing modest growth prospects and under pressure to cut costs, early retirement is a useful tool. One way to help keep these operations afloat. And for many middle-aged Canadians who get the offer, leaving the job early is seen to be a "truly 'golden' opportunity." They are keen, as retiree Braden put it, "toaching the good life."

With Sharon Doyle-Bradner

the apartment building where he lives. Inflation poses an even more critical threat. Although prices only increased at a rate of 4.4 per cent in 1986, in the past 8 he has eroded the value of retirement savings. Many private pension plans are not indexed to keep pace with inflation and some employees who choose early retirement offers in the early 1980s now regret the move. Ross Armstrong, of Nanaimo, B.C., who took early retirement at 60 from CIBC in 1982, for one, says that he is alarmed at the extent to which inflation has eroded his annual pension income. Said Armstrong: "I look at the indexed pension that civil servants get with more than a little envy."

The post few years have also been financially harrowing for Details Braden, 64, of White Rock, B.C. When the Bremer flight controller retired from his job with Air Canada nine years ago on an \$11,000-a-year pension, the inflation rate was hovering around 15 per cent. "My pension," he recalled, "looked pretty good at the time." By April, 1981, the inflation rate had soared to 12.7 per cent and reduced the real value of his pen-

M. Moore Ltd., employees often focus on the use of early retirement incentives when they are used to get rid of poor performers. As well, Sherrin said, if the plans are attractive and universally available, companies risk losing employees from their middle management ranks who they may wish to keep.

The majority of early retirements involve management personnel, but labor leaders have also expressed concerns about the programs. In the past, many unions, including the 154,000-member United Steelworkers and the 105,000-member United Auto Workers, negotiated early retirement provisions for their members in order to ensure that jobs would open up for younger people. But now there are indications that many of the jobs early retirees vacate will not be filled, even in an improved economy.



With Sharon Doyle-Bradner



Philly: an assault on mandatory retirement despite vocal opposition from labor

Responding to 'grey power'

Thousands of mid-60-aged Canadians who have the opportunity of taking early retirement may soon have the legal right to make another choice—to work after they reach the mandatory retirement age of 65. Three provinces—Manitoba, Quebec and New Brunswick—already pretend that right either in provincial human rights codes or through legislation. But after April 15, when Section 15 of the federal Charter of Rights and Freedoms comes into force, the right to work past age 65 may eventually be extended to all Canadians. According to Mark Berlin, a policy analyst with the human rights directorate of the federal secretary of state's department, one section of Section 15 "will probably make mandatory retirement unconstitutional."

Section 15 guarantees, in part, that no Canadian can be discriminated against because of age. The Charter covers individuals only in their dealings with federal and provincial governments. But legal experts anticipate that overt decisions based on Section 15 will eventually alter traditional and legal definitions of retirement age in the private sector as well.

Enforced retirement has been under attack for more than a decade. In 1979 the Senate Committee on Retirement and Age Policies estimated that the number of pensioners in Canada would climb to 3.4 million from 2.1 million by the turn of the century, and it added that "those who believe that it is due to [pay] the costs of maintaining the elderly

in the next 25 or 50 years will materialize out of them air sea deluding themselves." Among the report's recommendations are: end to mandatory retirement so that Canadians could remain in the work force longer and earn the means to provide a greater share of their own retirement needs.

Human rights advocates—including many older Canadians—have lobbied governments to abolish age discrimination, but mandatory retirement has many defenders. Shad Clifford Pillay, president of the Ontario Federation of Labour, "I do not think Canadian society should insist that people have to work to age 70 to have a decent standard of living." Rosenzweig says that the abolition of mandatory retirement could result in later pension eligibility. And many employers have argued that a standard retirement age is essential in designing pension plans.

In the United States, where eligibility for government old-age pensions and benefits will run to age 67 between the years 2000 and 2007, mandatory retirement at 65 was phased out six years ago. But U.S. department of labor studies indicate that most Americans still prefer to retire at, or before age 65. In Canada, studies by Ottawa indicate that only a small minority of the federal civil servants would want to continue working past age 65. Still, the economic realities of an aging population may eventually make retirement at an older age than 65 more a necessity than a right.

—ANN FILLARDSON

Bell rings up Daon Corp.

It was a lightning move that signalled the aggressive intentions of a formerly sleepy telephone giant. Last week Bell Canada Enterprises Inc. (BCEI) of Montreal, parent of the telephone monopoly, surprised the investment community by launching a \$150-million takeover bid for Daon Development Corp., a financially troubled Vancouver-based real estate developer. Under the proposal, BCEI has offered to buy 90 per cent of Daon's shares at \$3 each. The offer was part of BCEI's recent fast-paced buying strategy, but the action puzzled many analysts, who pointed out that the company's previous acquisitions—including TransCanada PipeLines Ltd.—involved more conservative firms. Rod Lund Grantham, an analyst for Wadsworth Stodgill Cochran Murray Ltd. in Toronto, "It tends to make you wonder what Bell would buy."

When BCEI was formed in 1982 as a holding company to oversee the operations of Bell Canada, the federally regulated telephone giant, the new firm's declared objective was to expand through acquisitions into a conglomerate. In 1982 it paid \$605 million for 45.3 per cent of TransCanada PipeLines Ltd., a highly profitable Toronto-based gas pipeline company. Last year it bought a Toronto office building for an estimated \$50 million and announced plans for a \$300-million Toronto development called not Phase.

BCEI's acquisition bid for Daon, which experts say will be successful, is more controversial. Riding the western real estate boom of the 1970s, Daon had expanded rapidly, running up \$2 billion in long-term debt by 1981—much of it at floating interest rates which rose and fell with the prime rate. But that year, the prime rate soared to more than 10 per cent, pushing Daon to the brink of bankruptcy. By selling off properties Daon managed to reduce its debt to \$1.12 billion and to increase its net earnings.

Explaining BCEI's move, Stuart Spaulding, the company's vice president of finance, said that the firm wanted to give Daon's expertise in the commercial development business. Indeed, a condition of the deal was that Daon president Jack Poole retain his position. Spaulding was also moved by the long-term potential of Daon's remaining \$1.29 billion in assets. Added Spaulding: "The management team that put together first-class income-producing properties is still intact. And BCEI is confident that it can repeat the feat."

—SANDY FINE in Toronto

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One of the world's favorite royal figures, **Diana, Princess of Wales**, has grown from a shy, retiring English teenager after her marriage to **Prince Charles** in 1981 and has become a thorny topic for gossip columnists. **Fred Kennedy**, host of *Behind the Lens*, a London-based VHS video series, said that Buckingham Palace insiders maintain that "Diana is one sally little lady who has turned Charles into a thrasher, adder, much less happy man." Since the Prince and Princess of Wales set up their royal household in 1981, six staff members have departed, including the Prince's private secretary and treasurer, **Edward Adams**, whose family's history as royal retainers dates back to 1880. The British press says Diana chased them away. The Princess also stands accused of spitting her first-born son, **William**, 2, and abducting her sister-in-law, **Princess Anne**, by not allowing her as godmother to



Diana: departures and a royal scandal

William or to **Prince Henry**. Thus there is a charge that Diana seeks her husband (a friend of the staff, but, at least on the Adams matter, a palace spokesman declared last week, "The staff turnover was completely normal for a 31-year period, and Adams is simply a 45-year-old man dwelling to do something different.") Crushed the spokesman: "Princess Diana is a nice sane and journalist has nothing better to write than absurd gossip that has a millionth hope"

Changing jobs is "always a bit of a wrench," says Toronto-based TV journalist **Fernando Wally**, 35, who is leaving her self-proclaimed cohosting position with **Morm Perry** on CTV's Canada

A.M. to become CTV Ottawa bureau chief in June. A native of Wales, Wally (population 1,377), Wally says that she is looking forward to returning to Ottawa, where she lived 10 years ago working for CTV Radio, and later from 1979 to 1981 when she was a reporter for *The Toronto Star* and appeared as a guest on CTV's *Question Period*. Wally has covered leadership conventions, election campaigns, royal and papal visits and the partition of the new Canadian Constitution, and declared, "Ottawa and federal politics have always been my love."



Wally: 'Ottawa and politics have always been my love'

she also reported for CTV from Miami, and in 1980 she was the only Canadian female TV correspondent covering the Falklands War, which she did for five weeks from Buenos Aires. As evidenced as she talks about leaving Canada A.M. Wally added, "It's going to be great not having to get up at 3 a.m."

Changing to be a friend as well as a Malibu, Calif., neighbor of **Larry Hagman's**, character actor **Burgess Meredith**, 75, scoffed last week at reports that he was using the Dallas star because she had moved to the Dallas house he had bought in one of the Pacific. Declared Meredith: "I have heard the suit rumor before, but there is nothing whatsoever to it." Meredith, who opened his suburban 10.5-acre estate in 1980 Dallas press dinner because Hagman's soap took had backed up, is travelling in New York state, where he will meet with his guests at New York by, and planning a one-month tour with director **John Huston**, 78. Meredith said that is mid-February he and Huston would start "travelling through the country, writing and shooting God only knows what." Meredith, a former reporter and clothing salesman, has made almost 150 movies, posted reviews as *The Post* and *Los Angeles Times*, managed **Sylvester Stallone's** Rocky as Mackey. Although he has maligned Hollywood in



Meredith: 'yammer'

the past, calling it cruel, snobbish and rigid, Meredith maintains, "I think it is wonderful now."

Composer **Alan Hovhan**, 35, whose songs and screen credits include the Broadway production of *Mean* and such **Robert Altman** films as *Nashville* and *Three Women*, wrote the musical score for *Angie*, a culture-style adaptation of the best-selling *Angie* novel by *Surreal* in Quebec. The book has sold

71,000 copies (one-third of them in the Toronto area) and is one of the most successful of the past year. The story of play has been running four nights a week to packed houses at Montreal's 130-seat Le Stage dinner theatre, and last week, *Justine* Thane Records launched a recording of the show in Montreal. Sang by a cast of five accompanied by a piano, the troupe performs such numbers as *Stella Gato* as *Francophone*

and *Bringing up Bitch*. A bittermost look at how anglophones adapted to the Quebecois of the late 1970s, the book and the play still strike a chord among some Montreal anglos. Nicholas, however, admits, "I barely opened the 1970s language upheaval in Quebec."

—SCOTT BY BERTIE LAKROUITE

Breakthrough against a modern plague

By Pat Oshendorf

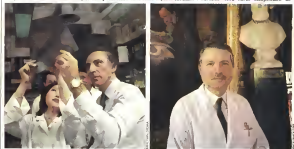
Because the mysterious and invariably fatal disease began spreading among homosexuals four years ago, it soon became known as the "Gay Plague." Now, with Acquired Immune Deficiency Syndrome (AIDS) surfacing and—invariably—killing men but growing numbers of heterosexual men, women and even children, it is

caught the fatal disease. So far, AIDS has killed 3,735 Americans and 93 Canadians.

The disease is particularly frightening because no one diagnosed as having AIDS has yet recovered. In fact, no AIDS patient has survived longer than three years after diagnosis. Most die of a cancer-like tumor called "Kaposi's sarcoma" or a particularly deadly type of pneumonia. And some experts estimate

Declared Jefferies: "We are going to see more cases of AIDS in Canada in 1985 than in 1984. But they will belong to the same groups that we know have a high risk, because those people were infected on the part one to two years."

Last week's announcements of the genetic mapping, or "sequencing," of the AIDS virus—discovered by French researchers only last spring—is a major advance. And here competition be-



Hop-Gitai, Gaits: Montepari's fierce competition between French and U.S. teams has increased chances of a cure for AIDS

beginning to seem more like a modern-day version of the Black Death. However, the awesome scope of the AIDS threat has stimulated worldwide research and last week two research groups in Washington and Paris announced that the disease may eventually be controllable. The reason: by cracking the genetic code of the recently discovered AIDS virus, the scientists hope that the development could lead to an effective treatment, a vaccine and a cure.

Still, although the disease is not claiming large numbers of victims, AIDS has indeed become an epidemic. AIDS cases have been rising dramatically every year since 1981 according to Peter Dorman, a medical epidemiologist at the U.S. Centers for Disease Control in Atlanta. By last week 7,000 adults in the United States had contracted AIDS, 75 per cent of them homosexual or bisexual men. In Canada, where the disease struck later, 174 adults (21 of them homosexual or bisexual men) have

been the incidence of AIDS-related cancers (ARC), caused by the same virus, is much greater than the incidence of AIDS. And no one yet knows if antiretroviral drugs slow the disease from which patients can recover or if it is merely a shield to AIDS, which at present as many as 15 per cent of North American AIDS patients have developed.

Apart from the relatively few cases of AIDS caused by transfusions of contaminated blood, most scientists believe that sexual promiscuity accounts for the rising number of AIDS cases among heterosexuals. Men and women are the primary body fluids that carry the virus. But because the transmission of AIDS is relatively slow and its symptoms do not develop for one to as many as five years after infection, experts, including **Dr. Jefferies**, chief of the field epidemiology division at the Federal Laboratory Centre for Disease Control in Ottawa, say that AIDS will not spread quickly through the general population

twice two presidential research groups in France and the United States probably hastened this latest development. The French researchers are led by Dr. Luc Montepari at the Pasteur Institute in Paris, and the Americans are led by Dr. Robert Gallo at the U.S. National Institutes of Health (NIH) in Bethesda, Md.

The French discovered the AIDS virus but the American press ignored the discovery, concentrating instead on a similar finding by the NIH team several months later. Montepari maintained that the NIH team merely "confirmed and reproduced our work." But Gallo contends that the French research would have been meaningless without critical information from the Americans. Declared Montepari: "The greatest sin for scientists is dogmatism. I am not reproaching anyone. I only state that our competitors were slowed down by holding onto a false idea."

More important than the dispute between the scientists is the possibility

that the discovery will lead to an AIDS vaccine. But some researchers at Montclair say that a vaccine could not be ready for at least two to five years and others caution against false optimism on any such matter. Experimental vaccines—used to treat leukemia in cats—that have been developed to fight a virus similar to the one that causes AIDS.

Some researchers also express concern that the AIDS virus may be mutating, which would make it more difficult to develop a new vaccine. Still, Montclair says he is optimistic that the AIDS virus is fairly stable. Said Montclair: "Unlike the influenza virus, the variations in the AIDS-producing virus do not seem to indicate a great ability to create rapid mutations."

A vaccine would protect only those who have not contracted the AIDS virus. But for AIDS and AIDS-related risks, the new discovery offers the possibility of an effective treatment and even a cure. So far, scientists have tried many remedies, from chemotherapy and radiation to interferon, antiviral drugs and even bone marrow and thymus cell transplants. But because they do not destroy the virus itself, the best of them produce only brief remissions. Now, knowing the structure of the virus's genetic code, scientists can begin attacking its vulnerable points. Explained Montreal clinician Roger LeBlanc, a private practice specialist in infectious diseases: "It's like a blemish. If you want to blow it up, you have to know how it is put together and know where the weak points are."

Another potential offset of the recent success in the development of a more accurate diagnostic test for AIDS. The current test, which indicates the presence of the disease through detection of antibodies to the AIDS virus in the blood, cannot confirm the presence of the virus itself. Sixty of a hundred Canadians in major Canadian cities last year have shown that as many as 30 per cent of them harbor the antibodies. But doctors do not know whether a positive result means a patient will eventually die, whether he can transmit the disease or, indeed, whether he has become immune to it. But they do know that living with the knowledge of that uncertainty can be devastating.

At the same time as AIDS research is progressing rapidly, recent statistics are diminishing the first impression

that the disease is a "Gay Plague." Declared Florence Wong-Sha, head of the molecular genetic section of Galilei's lab: "There is nothing magic about homosexuality. Intimate contact is the root of transmission, not sexual preference." Still, researchers cannot fully explain why the disease is so much more prevalent among homosexuals, but some suggest that greater promiscuity among homosexuals than heterosexuals is the likely cause. Montclair, for one, said that one theory is that sperm introduced anally could depress the body's immune system, making it more vulnerable to attack by the AIDS virus. Those who dispute the theory argue that it ignores the lack of a high incidence of AIDS



Researchers Dr. Robert Gilmour, left, and a code

among women. And in Central Africa, where the incidence of AIDS is the highest in the world, women and men develop the disease in equal numbers.

Physicians approach AIDS with a mixture of fear and optimism. Admitted clinician LeBlanc, who has lost eight patients to AIDS: "I am feeling jittery—I'm almost scared now when I see a patient with an infection." But, he added, "I believe that these 'hot' research labs that are rightly receiving so much attention will give us the answers. In treatment today, we are doing everything we can to help our patients hang on a while longer—so long as we possibly can—so they will still be here when those answers come." A year ago that optimism would have seemed unfounded. But with the recent advances against a terrifying modern epidemic, hope has become almost as infectious as the disease itself.

With Ronald Korman in Paris

SPACE

A secret new spy in the sky

As the space shuttle *Discovery* rises into space from Cape Canaveral, Fla., last week, Flight 51-C had already set two precedents. For one thing, temperatures that dropped to -1°C overnight for the first time in the 30-year history of the U.S. space program—the estimated damage to the craft during liftoff and delayed the launch. For another, the flight, which launch technicians nicknamed "Battlestar *Discovery*," was the first secret military mission by a space shuttle.

Despite widespread reports that *Discovery*'s crew of military officials will deploy a \$300-million spy satellite over the Soviet Union, the U.S. defense department remained silent about both the mission and the shuttle's expected return to Earth this week. Declared U.S. Air Force spokesman Brig.-Gen. Richard Abel: "We are working to deny our adversaries any information which might reveal the identity or mission of the payload."

To that end, the 11-hour 15-min flight was announced with only nine minutes left in the countdown. And even before *Discovery* rose into clear skies at 2:50 p.m., the Pentagon banned public access to shuttle launch, command centers. The reason: reports published in *The Washington Post* suggest that it wanted to stop the Soviets from tracking the deployment of the SN-4 spy device with their own "Secret" satellites. And where the crew launches the SIGINT (the signals intelligence) satellite, a rocket will boost the unit to a higher orbit 22,300 miles over the equator south of the Soviet Union, beyond the range of Soviet surveillance. Then, the satellite will eavesdrop on Soviet missile tests, radio transmissions, ground-space communications and long-distance telephone calls carried by microwave relays.

Once the SIGINT is in orbit, it will be the first spy satellite launched from a manned spaceship. As part of its surveillance it will routinely monitor Soviet messages across the polar regions bordering Canada. Meanwhile, the Pentagon is trying to ascertain how so much technical information about the shuttle became public. Pentagon spokesman Michael Spurr said that there were a number of investigations under way. He added that the type of information being leaked "was particularly damaging to national security."

—WILLIAM LOWMYER in Washington

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NEW ZEALAND
The Great Escape

Tropical fish in winter

In Alberta's Rocky Mountains, January temperatures drop to as low as -50°C, and biologists estimate that many thousands of animals perished from human hunters in the province's national parks starve and freeze to death in the bitter winter cold each year. But in the extensive Cave and Bears hot mineral springs at the base of Banff's Sulphur Mountain, fish thrive in water that averages 30°C year-round. Indeed, three of the species of fish in the sulphurous marsh are native only to tropical waters.

Dr Joseph Nelson, a University of Alberta zoologist, has just completed a three-year survey of the Cave and Bear hot springs. Nelson traced the lineage of sulfate, mollic and jewellish to aqueducts in Banff, 15 km away. The owners have deposited tropical fish in the hot springs over several decades. They have also transplanted tropical tree gums and bushy pondweed from their tanks into the marsh. It is so thriving, in clear violation of park policy, which forbids interference with local plants and wildlife.

Beef's relatives originated in waters that drain into the Gulf of Mexico and the panhandle comes from Central Africa. But Nelson also counted thousands of mosquitofish—a species that such officials introduced from California in 1924 in an ultimately fruitless effort to control the mosquitoes that plagued bathers using the hot springs. He also found two species unique to Beef—a subspecies of longnose dace, a three-inch coldwater fish that has genetically adapted itself to the warm waters, and a snail that is found nowhere else.

Shelf, as though some hardy trespasser had done so well in the shallow, densely vegetated marsh, where the water waves flow over an area the size of four football fields, hundreds of other strains have not survived. Neilson discovered no trace of such species as guppies and swordtails, which the Canadian Wildlife Service first noted in a 1968 survey. But if there are no dramatic changes in the sulphur-hued marsh, Neilson says, it is because the three established species that have thrived are the same ones that have always thrived. As a result, Canada's premier national park, which celebrates its 100th anniversary this year, will continue to have an unexpected tourist attraction as it

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HOUSING

A northern shelter crisis

A six-member committee of the Northwest Territories legislature visited 40 N.W.T. communities over five months last year and, on Nov. 5, delivered a damning indictment of northern housing conditions. The interim report's shoddy conclusion from the isolated community of Cape Dorset to the capital of Yellowknife, the region is suffering from a severe shortage of public housing. As many as 4,000 units (most of them small two- or three-bedroom bungalows) administered by the Northwest Territories Housing Corp. are in run-down condition. Indeed, the committee urged government to make housing its priority.

The report argued that crowded conditions, particularly among natives, who form 56 per cent of the Northwest Territories' 45,480-member population, often cause domestic violence. In response, Gordon Wray, territorial minister in charge of public housing, has ordered the construction of 256 units of subsidized housing instead of the 62 planned for this year. But as 400 homeless tenants endured another northern winter waiting for the committee's final recommendations this spring, Wray admitted that at least 500 units of housing are urgently needed.

Most public housing tenants in the North are Indians and Inuit. That is a direct result of a 50-year-old federal practice which encouraged aboriginal northerners to abandon their nomadic way of life and move into prefabricated houses in such government-supported settlements as Inuvik, Tuktoyaktuk and the N.W.T. Housing Corp., which administers public housing units, charges rent according to tenants' income and often collects as little as \$20 per month (heat and light included) from native families. The corporation receives subsidies from the federal and territorial governments but it will spend \$20 million on utilities alone for its units in the fiscal year 1985-86, while receiving only \$4 million in rent.

As a result, the corporation is chronically short of money and last fall it asked the federal government for additional funding, which will total \$11.7 million, to repair the units it now operates. Declared corporation president Victor Irving: "Whether we build 150 or 250 homes a year, our biggest problem is getting funds to maintain the houses."

Crowwa has not replied to that request, and Irving's corporation still must raise new houses in a region where



Yellow Plate house, shacks, leaky roofs

transportation, construction and labor costs for a two-bedroom bungalow and lot can push the price to \$170,000. At the same time, the committee found that in some settlements as many as 11 people were living in two-bedroom bungalows with leaking roofs and faulty wiring, often sleeping in shifts to compensate for too few beds. For her part, Rosie Norwegien, a grandmother in Fort Norman, 680 km northwest of Yellowknife, shares her house with 18 others. Declared Norwegien: "It is not that the house is so good, but I have too many people living with me and they desperately need houses. Some of them sleep on the floor."

Conditions are equally bad in Yellowknife, where there is a zero vacancy rate in rental units and waiting lists of up to 100 names for a single apartment are common. Despite the housing crisis, the municipal government wants to raise 10 shillings a week. In Yellowknife, a part of the city that dates back to the gold rush days 50 years ago. City council plans to redevelop the area and remove the tenements, which include fishermen, young government employees and artists. But if the city's plan succeeds, some of the residents of Willow Plate will find themselves in a predicament all too familiar to many northerners—sharing space in already-crowded housing units.

—SANDRA SCHMIDTKE in Yellowknife.



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FILMS

Slaves to a dark vision

NINETEEN EIGHTY-FOUR
Directed by Michael Radford

George Orwell's seminal novel of prophecy, *Nineteen Eighty-Four*, foretold a future totalitarian state, Oceania, in which free thought and expression were criminal. By 1985, most people have grown overly familiar with its elements: the omnipresent Big Brother, the Thought Police, brainwashing, doublethink, Newspeak, and the depressing game of paper totalitarianism as Orwell imagined it. In retelling the story of one David Smith, Winston Smith (John Hurt), the film version of *Nineteen Eighty-Four* is faithful to the book—relentlessly so. One of the novel's heroics was its descriptions of the oppressive atmosphere of life. But because the film adds no further imaginative gloss to Orwell's vision, viewers might well ask themselves why they bothered to sit through it.

As Smith, who works in the Ministry of Truth "vaporizing," or eliminating, historical facts troublesome to the state, Hurt (The Elephant Man, *Classical*) gives his standard snail-of-crucy performance. But in *Nineteen Eighty-Four* that interpretation is a misdirection. When Winston finds a blank diary in a curio shop and begins to write it, or when he launches a forbidden sexual liaison with the equally rebellious Julia (Suzanna Hamilton), no light of discovery emanates from him. His perfunctory may show that the man has had his soul "sugared," too, but that is precisely the opposite of Orwell's point. In the novel, the reader knows Winston's increasing human step-by-step, but Hurt plays Winston as someone who is a ripper from the beginning—rather than someone who becomes one when his torturers finally force him to agree that "two and two are five."

Director and screenwriter Michael Radford captures the sense of pervasive surveillance ("Big Brother is Watching You") and the desperation of Oceania's workers (during their political rallies, which serve as substitute mass orgiasts). And the film does have unobtrusively powerful sequences—including a scene in which the Thought Police place revenue rats in front of Winston's battered face to visually break his spirit. But its slavish fidelity to the book, which Orwell wrote in 1948, makes it anachronistic. The physical desolation and political uncertainty of postwar Europe deeply influenced Orwell's bleak vision of the future. Now, both the book and the film will strike many as somewhat dated.

Only Richard Burton—in his last role before he died on Aug. 5, 1984—portraying Winston Smith's chief tormentor, O'Brien, transcends the reagents of time. With his glorious voice, sympathetic face and compelling presence, Burton offers a chilling portrait of a man who believes in the righteousness of his own act. For the short time he is on screen, *Nineteen Eighty-Four* is actually terrifying.

—LAURENCE O'NEILL

OPERA

Stripping the rosy illusions

The Canadian Opera Company (COC) has divided its annual tradition of a midwinter operatic played, for laughs. The current choice is *Candide*, Leonard Bernstein's musical extravaganza based on Voltaire's classic satire of blind optimism. But the work is such a hybrid of opera, operetta, pastiche and comedy that a fully successful staging is difficult—even in what Candide's tutor, Dr. Pangloss, calls "the best of all possible worlds." The current version, a reworking of Hal Prince's 1968 New York City Opera production, does manage some rollicking comedy. But Bernstein's score never lives up to the promise of the parody, away from except in a few passages, descriptively naive melodies and stirring fanfares. There are too many playful but ultimately distracting gestures of light opera and musicals from Strauss to Rodgers and Hammerstein. Worst of all, momentary slapstick saves the story's political satire.

Voltaire wrote a story calculated to outrage: Pangloss (Joseph McKee), tutor to Maximilian (Scott Berry), a baron's son, his lovely sister, Cacamore (Jennifer King), and their diabolical cousin, Candide (Mark Dabon), has travelled to his land of exile, a bleak, cheerless outpost. Thus the barren expanse of Candide for making love to Cacamore. Meanwhile, a war breaks out, and the students begin to discover how the world really is—without the whimsy, fraud and hope that duped their fathers. But whatever hell lies ahead in the COC's Candide, it only underlines the script's general wisdom.

The COC's spectacularly sustained production has its compelling moments. The radiant star of Canada's Mark Dabon (who alternates with American David Baker as the glibbed hero) is the most distinctive highlight. And the versatile coc chorale, chosen itself into acting, dancing and singing with tremendous drive. Of the Americans is the most, the best is McKee, who narrates and sings in the dual roles of Voltaire and Pangloss. And King, alternating with Marilyn Hie Smith, in a rather bland Cacamore.

In the end, the extravaganza but overly live production runs too hard to please. It is like a procession of opulent boats in a parade. The music is neither better, thought-provoking comedy.

—JOHN PEARCE

The will to go straight

THE LIFER AND THE LADY
(CBS, Feb. 5)

One truth that both psychiatrists and laymen can give is that nothing is harder for a person to change than his character. Giving up evil habits is difficult enough, but it is usually all but impossible for an individual to turn his personality inside out. But some people—like the 86-year-old, balded, crippled Rudolf Cooney, must succeed at that: dancing tuck or lose their only chance to live normal, socially acceptable lives. Cooney is the subject of one of the season's most fascinating documentaries, *The Lifer and the Lady*, indeed, the prestigious USA Public Broadcasting Service had formerly been rights to broadcast it simultaneously with the CBC. The 90-minute film records the cozier's struggle to rid himself of the volcanic rages that led to his sentence for murder after a Montreal underworld shooting in 1973. *Lifer* also sensitively documents Cooney's relationship with Lady Earl, a 59-year-old Kingston woman who met Cooney in 1985 during a viewer's program in C-58's Bay penthouse—and who fell in love with him.

A film that follows a reforming convict and his girlfriend through some of their most difficult and painful moments poses special problems for a director. But John Kautzer, the Canadian film-maker of such widely acclaimed, intimately focused documentaries as *Shoreline*, *The Street*, mainly about the coming out of two homosexuals, and the Emmy award-winning *Fighting Back*, about children suffering from leukemia, has admirably risen to the challenge. After convincing Cooney and Earl to cooperate, Kautzer and his producer, Rose—who helped produce the film—rented an apartment in Kingston in 1988 and began work. They also agreed an unprecedented degree of access to nearly 400 hours of Cooney's prison time.

For Kautzer, the making of *Lifer* was such a harrowing experience. He says that he found the atmosphere inside the penthouse "unbelievably tense." He also learned that "prisoners had nothing to do for hours but sit in their cells and stew over real or imagined injustices. They would beat each other up for failure to return a borrowed cigarette."

Some of the prisoners and prison staff resented the presence of the film crew and were jealous of Cooney for the attention he received. According to Kautzer, "They got just as nervous as Cooney, driving him to the breaking point. Sometimes we had to stop filming with Cooney went off to cool down." Kautzer claims he believes that in the first few months of filming, he saw other aspects of Cooney that were not yet unknown even to Earl. Renowned Kautzer: "As our



Earl, Cooney looks out of an untamed tiger inside.

once a wordy vide, they were living in an unreal world of nonsense, while back inside the prison we were experiencing another world—and another Cooney."

Despite those problems, Kautzer has produced a riveting, sensitive study of one man's attempt to revolutionize his character. *Lifer* reveals Cooney as a quietly intense man with an admirable twang and a habit of making startlingly odd metaphors. When the off-camera interviewer asks him whether he regrets his crime, Cooney replies, "I don't regret anything that's happened in my life." But he also describes his attempts to reform as a "last chance at happiness," leaving the viewer in little doubt of the seriousness of his effort. To control his rage, he practices meditation and feedback by the hour. In

deed, penthouse officials describe him as a model prisoner. But much of the film's dramatic tension arises from the tentative nature of Cooney's newfound civility. His constant, nervous growling and periodic outbursts hint at the untamed rage that still swishes inside him. Cooney reveals the chaotic nature of his remodeling attempt by admitting that he still cannot walk to a bank or see an arrested friend's truck without wondering if it "would be a good name."

Despite *Lifer*'s emphasis on Cooney's heavy psychological burden, the documentary achieves many moments of tenderness and humor as Cooney and Earl try to live a normal life. After his parole, Cooney chafes at the necessity of balancing his "kissass" "Use-It-Or-Lose-It" motto, he says, "I've had to budget money." Morning in with Earl posed even more serious problems. After a mid-die-of-the-night fight, Earl, fearing that her relationship with Cooney might be a repeat of her disastrous first marriage, tells him that she no longer live in her house.

The film ends ambiguously, with the two lovers determined to remain a couple—but living separately. Cooney's future as a reformer man is also uncertain; there are days when his failure to find a regular job with a reasonable salary frustrates him. However, *Lifer* sympathizes with Cooney in his struggles, and offers a steady ray of hope when it points out that in Canada "no one serving a life sentence who has been convicted of murder again." Still, Kautzer's credit, the film reveals the easy trap of becoming a reformer, meriting defense of Canada's prison system. It simply records the heroic attempts of one man to walk the straight and narrow.

A subtle peace seeker contributes to the film's humanistic glow, and Kautzer's script, which sometimes offers a confusion of verbal games, makes a strong-fused story. *The Lifer and the Lady* will lead to anxiety either liberals or conservatives looking for simple support of their viewpoints as prison parole. But it will prove highly memorable to those who have not descended into the labyrinth of the human heart. —JOHN ROSENBERG

Tribute to a vanished hero

RAUDAL WALLINBERG
BURIED ALIVE
(Directed by David Haral)

Only two people have ever received a honorary citizenship in the United States: one in Winston Churchill. The other is Raudal Wallenberg, the Swedish diplomat who saved as many as 100,000 Jews from Nazi death camps during the Second World War and whose name is passed over the Soviet prison system. Raudal Wallenberg, *Buried Alive* tells the story of an extraordinary hero with clarity and urgency. A fast-moving assembly of interviews and film archival footage, the documentary was a labor of love for its Toronto-based director and producer, David Haral, whose father was among those saved by Wallenberg. Earlier this month his film was screened to enthusiastic applause at the White House, it is rapidly gaining recognition as a comprehensible and moving summation of one of the century's most remarkable men.

Buried Alive follows the young aristocrat to Nazi-occupied Budapest, where, in 1944, at the age of 25, he became first secretary of the Swedish legation. Outraged at the German and Hungarian Nazis' systematic destruction of the last remaining Jewish community in Europe, Wallenberg, a Christian, began to help thousands of Jews, providing the formal-outraged Germans from transporting them to the death camps.

These daring efforts earned him the undying enmity of Adolph Eichmann, the Nazi in charge of implementing the final solution in Budapest. In one gripping sequence, a former diplomatic colleague of Wallenberg's recalls that near the end of the war the Soviet arrived Eichmann to draw Wall with the Soviet commandment lighting up the table, the young diplomat quietly asked the Nazi to stop persecuting the Jews in return for protection after the war. Eichmann politely declined.

Wallenberg's service to the Jews did not impress the conquering Red Army. Believing him to be an American spy, the Soviets imprisoned him and claimed that he died in 1947. But the testimony of several former Soviet prisoners interviewed in *Buried Alive* suggests that he may still be alive.

Wallenberg himself scarcely appears in *Buried Alive*. Haral has mustered as a few tantalizing photos of a handsome, premature-looking man with soulful eyes. But in the warm testimonials of those who knew him, including



Lagergren: never falters in courage

his sister, Nina Lagergren, he seems to walk again, as real and yet as elusive as the figure was swept into a ghetto of Budapest. Kinship for Pierre Berling's *One Jewish Reading of the Narrative*, *Buried Alive* is a superb tribute to the courage and tragic fate of one unnamed man who dared to challenge a powerful and pitiless evil. —J.

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *Shogun*, Hilary (2)
- 2 *The Delusion*, King and Smith (3)
- 3 *The Fourth Protocol*, Forsyth (3)
- 4 *The Million*, Pate (4)
- 5 *Shogun*, Hilary (4)
- 6 *First Among Equals*, Aron (4)
- 7 *No Love, and Thanks for All the Fish*, Adams (5)
- 8 *Not Wasted on the Virgin*, Findlay (5)
- 9 *The Aquilone Progression*, Leifson (7)
- 10 *The Wolf*, Vire (10)

Nonfiction

- 1 *Business*, American work (Week 1)
- 2 *A Day in the Life of Canada*, Edited by Cohen (5)
- 3 *The Promised Land*, Gordon (5)
- 4 *The Traders*, Inside Canada's Stock Markets, Aron (5)
- 5 *Sea of Shanghai*, Wood (7)
- 6 *What They Don't Teach You at Harvard Business School*, McCornack (7)
- 7 *Private Capital*, Owen
- 8 *Contingency*, Givens and Taylor (9)
- 9 *Leaving Back Street*, Farnsworth (9)
- 10 *Times*, A Bookers Story, Williams

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The disposable environment

By Allan Fotheringham

To go to the edge of the frontier, one must go to New York. There we find the new line in the primitive, the cutting edge of the outrageous, the best thing in simple, unadorned ideas. The most adult city of all things like a child. To illustrate this, we discover the number 1 ticket in town, a jet called Area. The inmates like to die to gain entrance. They trade their bank accounts and their Sony Walkmans for an invitation. In New York, there is room for only one talking point and Area is it at the moment.

Area, hidden down on the tip of Manhattan island just below, is a disco dancing area "tapsheet." I thought the word nightspot went out with the Copacabana (as a matter of fact, I thought discos went out with Studio 54) but apparently not. I modeled it. What makes Area the hot ticket is that the club is redesigned every month. Every month the place is turned up with a new theme, new performers, audiovisual displays and something called "discos." Partners Dorian Aarti, Sharon Hucman, Christopher Goode and Eric Goode have hit upon

looks as if someone has gone berserk with a Styrofoam gun. We are, one takes it, into a space theme. The most innovative nightspot in the world looks like the face of the moon or a drive through Beldrey. We don't know what either these words look like, but this one comes out as dried hair gel. The cosmopolitan moon pounds out, threatening the stability of the Styrofoam as bodies of all possible sizes, most of them dressed in what looks like what a chess person would wear while sleeping on a park bench, write on the dance floor.

People who spend their days and even

month, whether intentional or not, the binge played by Jane Fonda in *Barbarella*, the movie in which she is made love to by a robot. This is before Jane became a feminist, but we did not stay around long enough to determine if Area carried on the tradition. Once you've seen enough successful New Yorkers trying to look like punk rockers, one grows philosophical and feels a need for Chinese food.

Area offers an entire new approach to life. If you don't like your surroundings, simply stimulate new ones. We already have these instant-tan parties, where pallid city dwellers can take a long weekend and return to the office with what looks like a Caribbean bronzed physique. Political parties do this all the time. The Liberals are already talking behind the curtains about replacing John Turner, so if that would repair the intellectual slouch that has enveloped the party over the past two decades there are a few places left that have never heard of the Area approach, abhorring even size-drop simulations. The Kremlin is one, where every few months there is an unbelievable inauguration of somebody identical to the one in the open



the perfect formula for the Klessex Society of Disposable Environment. The solution is to throw it out with the garbage. You don't like what you're seeing? Change it. You don't like the back-drops? Put it in the shredder. All is possible once you own a garburator. Area is made of the rocks are shattered, shattering, outside the door of Area, beseeching the security guards to let them enter the museum sanctuaries, the object that will make them heroes at the water cooler next morning. The door-man, like some feudal lord guarding the most, gates decidedly over these beneath the salt, admitting only favored customers, celebrities and perhaps a Boy George look-alike or two inside, the ladies must sign receipts for their fur coats at the cloakroom for fear imposters will misappropriate the ticket numbers and make off with the loot. The place

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cosmet, variable. Buckingham Palace is another, where every week or so a little Victoria or Albert is produced, completely stopped for touring New Zealand and Ontarians have it down to a dull art in which, every 14 years, they make a costume of it. Last week in the Toronto Columns, an arena where men in tuxedos spend days every weekend trying to detect differences among sheep, they lined up four men all named Davis, Roberts or Drew and asked 1,701 Rotarians to see if they could tell them apart.

Much of the rest of the world is an Area. One can see the day when an extraordinary firm, following Areas and Goode, will arrange to save a failing marriage by moving in and doing a whirlwind redesign of the apartment that is providing all the angry busy little men with spray-guns and plastic

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